ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

As Trustee-Manager of Ascendas India Trust
Company Registration Number: 200412730D

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ascendas
India Trust
A Member of CapitaLand

MAKING AN IMPACT

ASCENDAS INDIA TRUST
ANNUAL REPORT
FY2019

MAKING AN IMPACT

Ascendas India Trust is about growing with India, capitalising on the growing IT and logistics industries in the country to make an impact in India's real estate sector. With a proven track record, we continue to invest in income-producing properties to strengthen our presence in India and generate sustainable returns. The radial patterns found in this report are symbolic of our individual strengths coming together, and how our combined experience and expertise can enable the Trust to unlock greater potential and deliver greater value to our Unitholders.

CORPORATE PROFILE

WHO WE ARE
Ascendas India Trust is about growing with India

Ascendas India Trust ('a-iTrust' or the 'Trust') is a property trust which owns seven IT parks and one logistics park in India valued at S$2.1 billion as at 31 December 2019. With a portfolio of over 13 million square feet spread across Bangalore, Chennai, Hyderabad, Pune and Mumbai, a-iTrust is well positioned to capitalise on the growing IT and logistics industries in India.

Our strategy is simple – to generate attractive portfolio returns for Unitholders by investing in income-producing real estate used primarily as business and logistics space in India. Our properties provide quality and reliable space to our discerning tenants. This differentiation helps us attract and retain prominent tenants that commit to long leases, thereby fostering a stable income profile for the Trust.

Our growth is founded on a prudent approach to capital management. We are geared towards maintaining a strong balance sheet that meets the liquidity needs of the business.

WHY GO ONLINE?
Our corporate website contains detailed information about the Trust and is frequently updated as additional details become available.

You can sign up for email alerts of our latest news and keep track of the latest events on the Event Calendar page.

Our corporate website:
www.a-itrust.com

OUR VISION

To be a leading property Trust with a professionally managed portfolio of quality business space across India.

OUR MISSION

Deliver sustainable returns to our Unitholders through portfolio expansion and prudent capital management.

Notes:
- All information in this annual report is dated as at 31 December 2019 unless otherwise stated.
- All measurements of floor area are defined herein as "Super Built-up Area" or "SBA", which is the sum of the floor area enclosed within the walls, the area occupied by the walls, the common areas such as the lobbies, lift shafts, toilets, and staircases of that property, and in respect of which rent is payable.
- The Indian Rupee and Singapore Dollar are defined herein as "INR/₹" and "SGD/S$" respectively.
- Any discrepancy between the individual amounts and total shown in this annual report is due to rounding.

CONTENTS

FEATURES

International Tech Park Bangalore

Capitalising on the growing demand for IT and logistics parks in India has enabled us to build a

HIGH QUALITY AND DIVERSIFIED

portfolio that generates attractive and sustainable returns for our Unitholders.

Our growth is founded on a prudent approach to capital management. We maintain a strong balance sheet that enables us to stay flexible and be ready to

SEIZE NEW OPPORTUNITIES

that arise.

International Tech Park Chennai

What sets us apart is our strategy to create a vibrant community within our distinctive space, nurturing strong tenant relationships through active engagement and communication to

DELIVER QUALITY SOLUTIONS

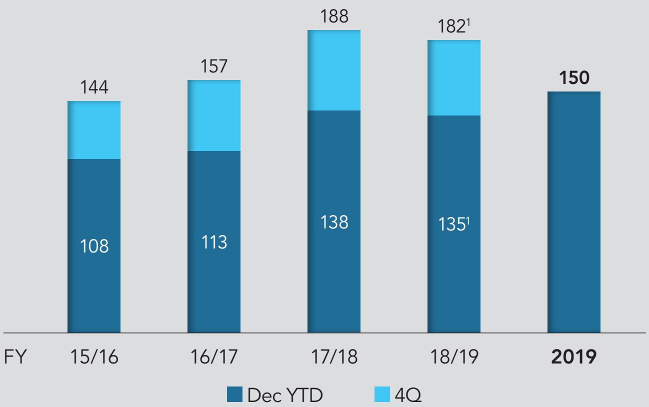
that meet their needs.

CyberPearl, Hyderabad

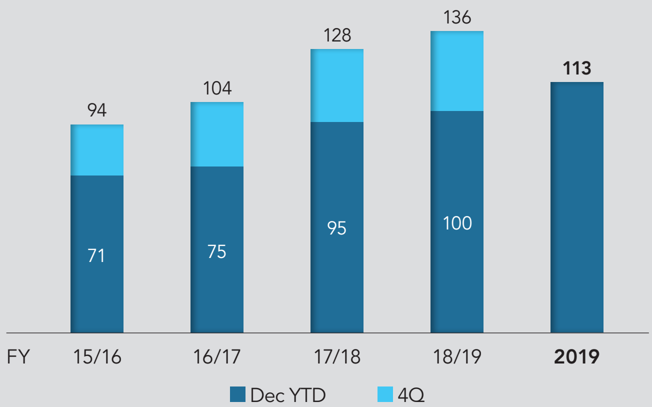
AT A GLANCE

7 IT PARKS AND 1 LOGISTICS PARK ACROSS 5 KEY INDIAN CITIES

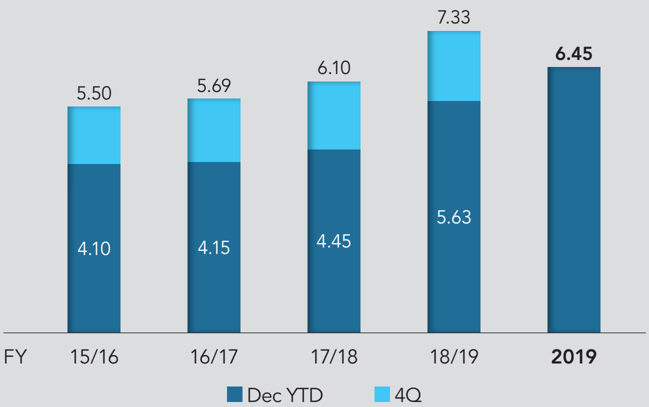
Revenue
▲ 12% YOY | **S$150** million



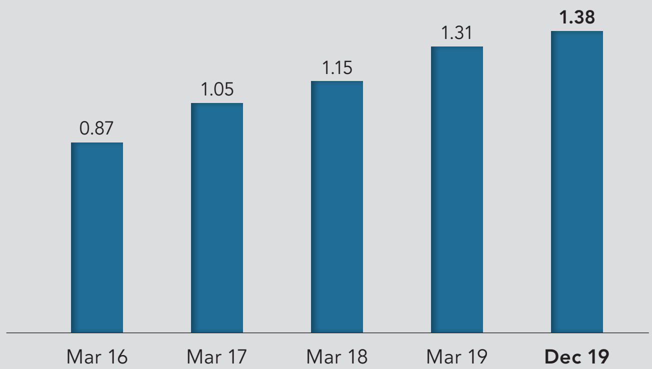
Net Property Income
▲ 13% YOY | **S$113** million



DPU[2]
▲ 15% YOY | **S¢6.45**



Adjusted NAV[3]
▲ 13% CAGR | **S$1.38**

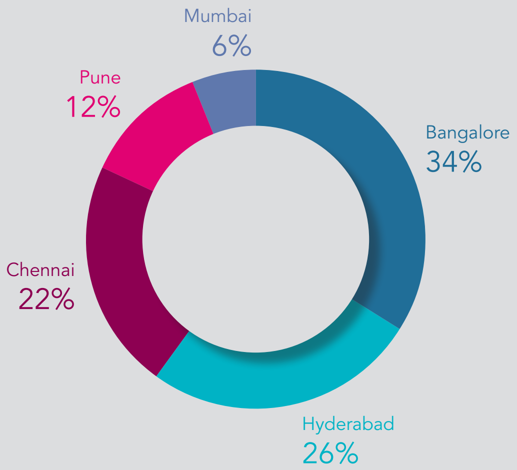


For more details on our performance, go to pages 53 – 58.

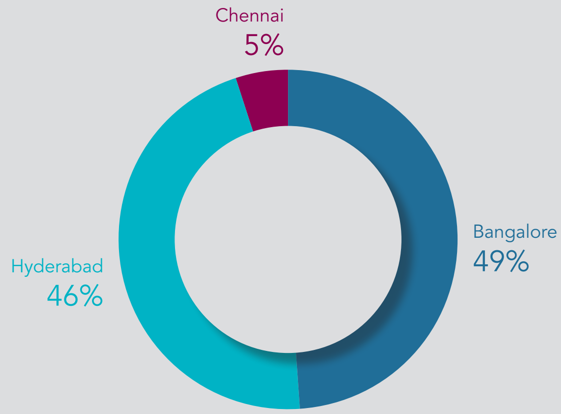
Note:
With effect from 1 April 2019, a-iTrust's financial year end was changed from 31 March to 31 December. Hence FY2019 results are not comparable to those of prior years. All YOY comparisons represent comparison of FY2019 to the corresponding nine-month period from 1 April 2018 to 31 December 2018.

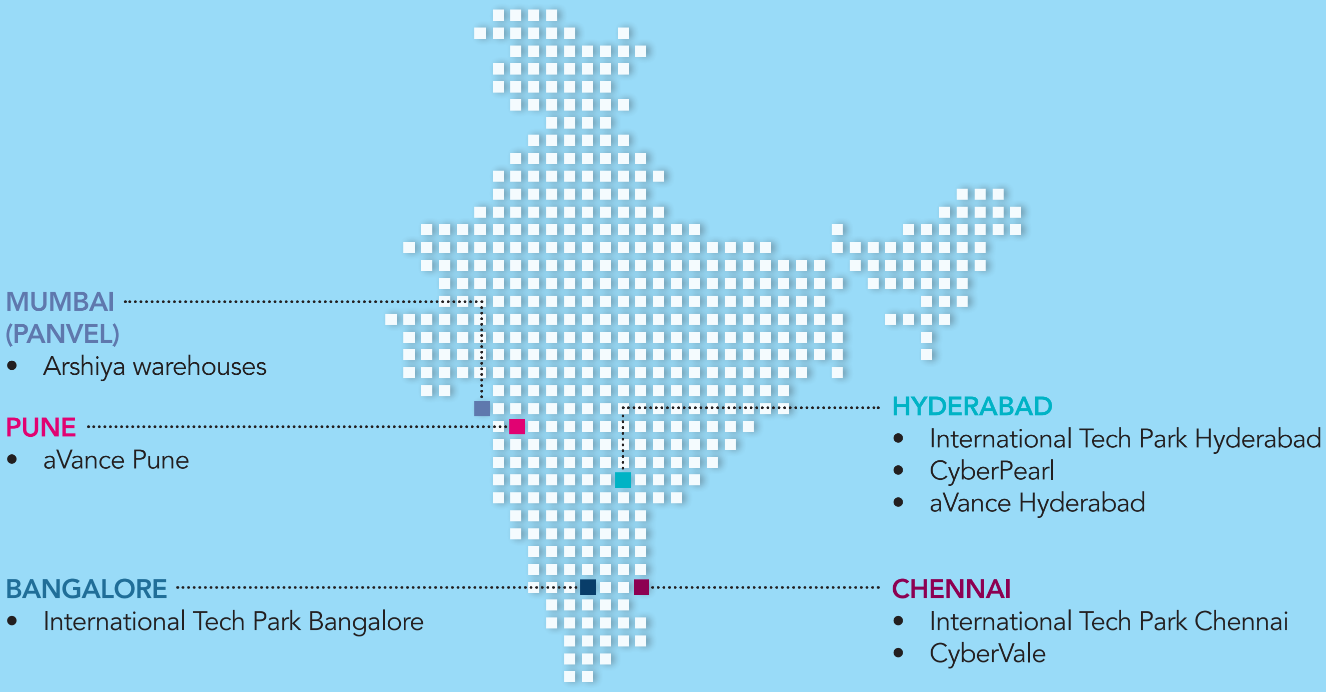
1 Impacted by lower utilities income with the phasing out of the Dedicated Power Plant in International Tech Park Bangalore. Property expenses also reflected a corresponding decrease due to lower utilities expenses.
2 Refers to distribution per unit post retention of 10% of income.
3 Adjusted net asset value per unit. Excludes deferred income tax liabilities on capital gains due to fair value revaluation of investment properties.

Completed Floor Area | **13.1** million sq ft



Potential Floor Area | **7.7** million sq ft





» For more details on our portfolio, go to pages 46 – 49.

Note:
aVance Hyderabad was previously known as aVance Business Hub, aVance Pune was previously known as BlueRidge 2 and International Tech Park Hyderabad was previously known as The V.

CHAIRMAN'S MESSAGE

"The Trust's DPU grew by 15% YOY to 6.45 Singapore cents. This performance validates our investment strategy and reflects the results of our focused asset management and portfolio development efforts."

CHIANG CHIE FOO
Chairman & Independent Director

Dear Unitholder

I am pleased to report that a-iTrust has achieved a strong set of results for the nine-month period ended 31 December 2019 (FY2019[1]). Net property income of S$113 million for FY2019 is 13% higher year-on-year (YOY). The Trust's DPU[2] grew by 15% YOY to 6.45 Singapore cents. This performance validates our investment strategy and reflects the results of our focused asset management and portfolio development efforts. Higher interest income from our investments in the various projects via construction funding, along with the completion of Anchor building, higher occupancies and positive rental reversions led to the stronger performance. In addition, the Trust's DPU also benefitted from the reduction in the minimum alternate tax rate, which was announced as part of the corporate tax cuts by the Indian government in September 2019.

In November 2019, the Trust raised S$150 million from the equity market through a private placement to fund future growth and create additional debt headroom. The private placement saw strong demand from institutional investors and was more than four times covered at an attractive discount of 2% to adjusted VWAP[3].

While the Trust has made good progress, the Indian economy is estimated to have grown at a slower pace in FY2019/20 with estimated GDP growth rate of 4.8%[4]. The outlook for India was also reduced, with GDP forecasted to grow by 5.8%[4] in FY2020/21 and 6.5%[4] in FY2021/22. The downward revision reflected a weaker-than-expected domestic consumption and concerns about the health of the non-bank financial sector weighing on the economy.

Leasing momentum for office space has remained robust, driven by the expansion of India's IT sector and interest by multinational companies. In 2019, gross office space absorption for the top seven cities in India crossed 56 million square feet, a 26% increase from the previous year[5]. For the four cities in which our IT parks are located, gross absorption reached 36 million square feet. Leasing demand grew faster than the supply of quality space, bringing about positive rental reversions in the micro-markets where our properties are located. We continue to focus our leasing efforts on captives[6] and IT services companies. Anchor building, a 0.5 million square feet multi-tenanted building in ITPB[7] was completed in May 2019 and has been 100% leased to Tata Consultancy Services (TCS), India's largest IT services company. TCS has also fully pre-leased a 0.7 million square feet building in ITPB, currently under construction and due to complete by the second half of 2020.

We continue to build a healthy growth pipeline to tap the strong demand from our existing tenants, and to diversify

Net Property Income

S$113 million

▲**13** % YOY

our portfolio. In 2019, we entered into forward purchase agreements to acquire 1.8 million square feet of IT buildings in Pune and a 0.3 million square feet logistics property in Panvel, Mumbai. This boosts the potential leasable area in our committed growth pipeline to 9.5 million square feet, and provides greater diversification to the portfolio. The additional warehouse allows a-iTrust to further capitalise on the favourable prospects for India's logistics sector.

CapitaLand Limited (CapitaLand) became the sponsor of the Trust on 28 June 2019 after its acquisition of Ascendas Pte Ltd and Singbridge Pte Ltd. CapitaLand is one of Asia's largest diversified real estate group, with assets under management of S$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans

1 a-iTrust's financial year end has changed from 31 March to 31 December. All YOY comparisons herein represent comparison to the same nine-month period from 1 April 2018 to 31 December 2018.
2 Refers to distribution per unit post retention of 10% of income.
3 Adjusted volume weighted average price (VWAP) on 18 November 2019 at S$1.5390 per Unit.
4 Source: International Monetary Fund World Economic Outlook Update, January 2020
5 Savills Research (cities include National Capital Region (NCR), Mumbai, Bangalore, Chennai, Hyderabad, Pune and Kolkata)
6 Refer to companies that have established their own Indian offices, typically in IT parks, as part of their offshoring business model. Many of these offices function as technology and offshoring centres for their global operations.
7 International Tech Park Bangalore

CHAIRMAN'S MESSAGE

across commercial, retail, business park, industrial and logistics, integrated development, urban development, lodging and residential. CapitaLand has a significant global footprint in the real estate investment management business. It manages seven listed real estate investment trusts (REITs) and business trusts and over 20 private funds. Hence, the Trust can continue to rely on the support of a strong and reputed sponsor.

Even as our business grows, the Board and Management remain strongly committed towards sustainability. We place strong emphasis on integrating environmental and social considerations in our business strategy and practice, while upholding high corporate governance standards. In line with the Singapore Exchange (SGX) sustainability reporting requirements, we are pleased to present our Sustainability Report for FY2019 on pages 60 to 87 of this Annual Report. The report outlines our ongoing practices and progress made by both the Trustee-Manager and the Property Manager to drive sustainable growth.

On behalf of my fellow directors, I would like to thank Mr Girija Prasad Pande and Mr Ng Eng Leng, who have retired from the Board in the course of the year, for their invaluable contributions. The Board and Management have benefitted immensely from their deep insights, experience and knowledge throughout their six years of service. We wish them well in their future endeavours. The Board now has seven members, four of whom are Independent Directors.

On behalf of the Board and Management, we would also like to express our deepest gratitude to our Unitholders, customers and business associates, for their continued support and trust in a-iTrust. I would like to thank my fellow Directors for their wise counsel and contributions, and our management team for their dedication and commitment in delivering consistent value and growth for the Trust.

Chiang Chie Foo
Chairman & Independent Director

International Tech Park Hyderabad

CEO'S REVIEW

"We employ a two-pronged approach to growth, progressively developing the Trust's land bank and acquiring assets that are accretive to our Unitholders from third parties and our sponsor."

SANJEEV DASGUPTA
Executive Director & CEO

Dear Unitholder

I am pleased to share with you a review of Ascendas India Trust's progress and performance for the nine months ended 31 December 2019 (FY2019).

OPERATIONAL REVIEW

We adopt a proactive asset management strategy to maximise the operational and financial performance of our properties. In FY2019, we invested S$7 million to rejuvenate our IT business parks and upgrade building specifications. Asset enhancements for aVance Pune, which included a newly created cafeteria and refurbished rooftop terrace, were completed in the last quarter of the year. We also actively undertook technological improvements in the areas of building management and sustainability, such as the design re-engineering of our sewage treatment plants and weather modelling based on predictive analytics for electricity consumption within our buildings. These continued investments ensure that our assets remain distinct and competitive.

We remain focused on forging long-lasting relationships with our tenants by providing complete business solutions, and actively engaging them through various networking and community events. The myriad of specially curated activities for our tenants' employees help foster a vibrant community and provide a key differentiation factor for our parks. These efforts helped us achieve tenant retention rate of 63%[1] in FY2019. Portfolio committed occupancy remained healthy at 99% as at 31 December 2019.

In FY2019, robust demand for quality office spaces coupled with limited market supply led to stronger rental growth in our micro-markets. Office absorption grew to 36 million square feet[2], making up 65% of overall absorption across the top seven cities. Leasing demand for logistics warehousing space has been strong at 33 million square feet, an increase of more than 30% on an annual basis[3]. Positive rental reversion across our properties in Bangalore, Chennai, Hyderabad and Pune also contributed to higher income for the Trust.

INVESTMENT REVIEW

We employ a two-pronged approach to growth, progressively developing the Trust's land bank and acquiring assets that are accretive to our Unitholders from third parties and our sponsor.

On the development front, approximately 7.7 million square feet of potential floor area from our land bank in Bangalore, Hyderabad and Chennai provides the opportunity to unlock significant value without incurring additional land costs. Potential floor area for ITPB increased by 1.1 million square feet to 3.8 million square feet due to revised government regulations. Construction for MTB 5, a new 0.7 million square feet multi-tenanted building in ITPB, is underway and is expected to complete by the second half of 2020. Construction for Phase I of the redevelopment at ITPH[4] has also commenced and we expect the new 1.4 million square feet building to complete by the second half of 2021. The entire rejuvenation of ITPH will provide the Trust with a net increase of 3.5 million square feet of leasable area.

On the acquisition front, we have deepened our presence in Pune by entering into a forward purchase agreement to fund the construction and subsequent acquisition of two buildings totalling 1.8 million square feet (Blueridge 3). Based on the strong demand for logistics space, we also entered into a forward purchase agreement for an additional 0.3 million square feet warehouse at the Arshiya Free Trade Warehousing Zone in Mumbai. We see significant synergies from the proximity of both these forward purchase acquisitions to some of the Trust's existing assets.

BALANCE SHEET REVIEW

As our portfolio grows, we continue to maintain a robust balance sheet through prudent and disciplined capital management.

The Trust tapped on the equity market at an attractive pricing of 2% discount to adjusted VWAP[5] and successfully raised S$150 million through a private placement in November 2019. The placement was more than four times covered. During the year, the Trust also secured term loans of S$100 million and HKD$290 million for 3 year and 5 year tenor respectively. These went towards disbursement of construction funding for buildings in AURUM IT SEZ, aVance Hyderabad and aVance Business Hub 2, and also to refinance loans and corporate bonds due in

1 Excludes leases in ITPH that were affected by the redevelopment of Auriga building.
2 Savills Research (for Bangalore, Hyderabad, Chennai and Pune) from 1 January 2019 to 31 December 2019.
3 CBRE India Industrial and Logistics Market View, H2 2019.
4 International Tech Park Hyderabad
5 Adjusted volume weighted average price (VWAP) on 18 November 2019 at S$1.5390 per Unit.

CEO'S REVIEW

aVance Pune

FY2019. As at 31 December 2019, the Trust's total effective borrowings[6] stood at S$719 million with a weighted average debt maturity[7] of 2.5 years. Gearing remained healthy at 28%. With a gearing limit of 45%, we have available debt headroom of S$802 million to fund the Trust's growth pipeline.

To mitigate the impact of foreign currency fluctuations, the Trust has a policy to hedge at least 50% of its borrowings into Indian Rupee. 71% of total borrowings have been hedged into Indian Rupee as at 31 December 2019, with the remaining 29% denominated in Singapore Dollars. The effective weighted average cost of debt stood at 6.3% and interest service coverage remained comfortable at 3.6 times. All of the Trust's borrowings are unsecured, while 89% have fixed interest rates. This allows us to maintain financial flexibility and minimise exposure to interest rate risk.

FINANCIAL REVIEW

In FY2019, Ascendas India Trust recognised total fair value gains on investment properties of S$174 million. A combination of new development, higher rentals, and lower capitalisation rates led to the gains in valuation. As a result, the Trust's adjusted net asset value per unit[8] increased by 5% to S$1.38 as at 31 December 2019.

The Trust's DPU[9] rose by 15% to 6.45 Singapore cents YOY on account of growth in Net Property Income (NPI) and interest income from construction funding projects. The Trust's FY2019 NPI grew by 13% to S$113 million as compared to the same period last year. The growth was a result of additional income from Anchor building in Bangalore (which was completed in May 2019), incremental income from aVance Pune as it reached full occupancy and positive rental reversions.

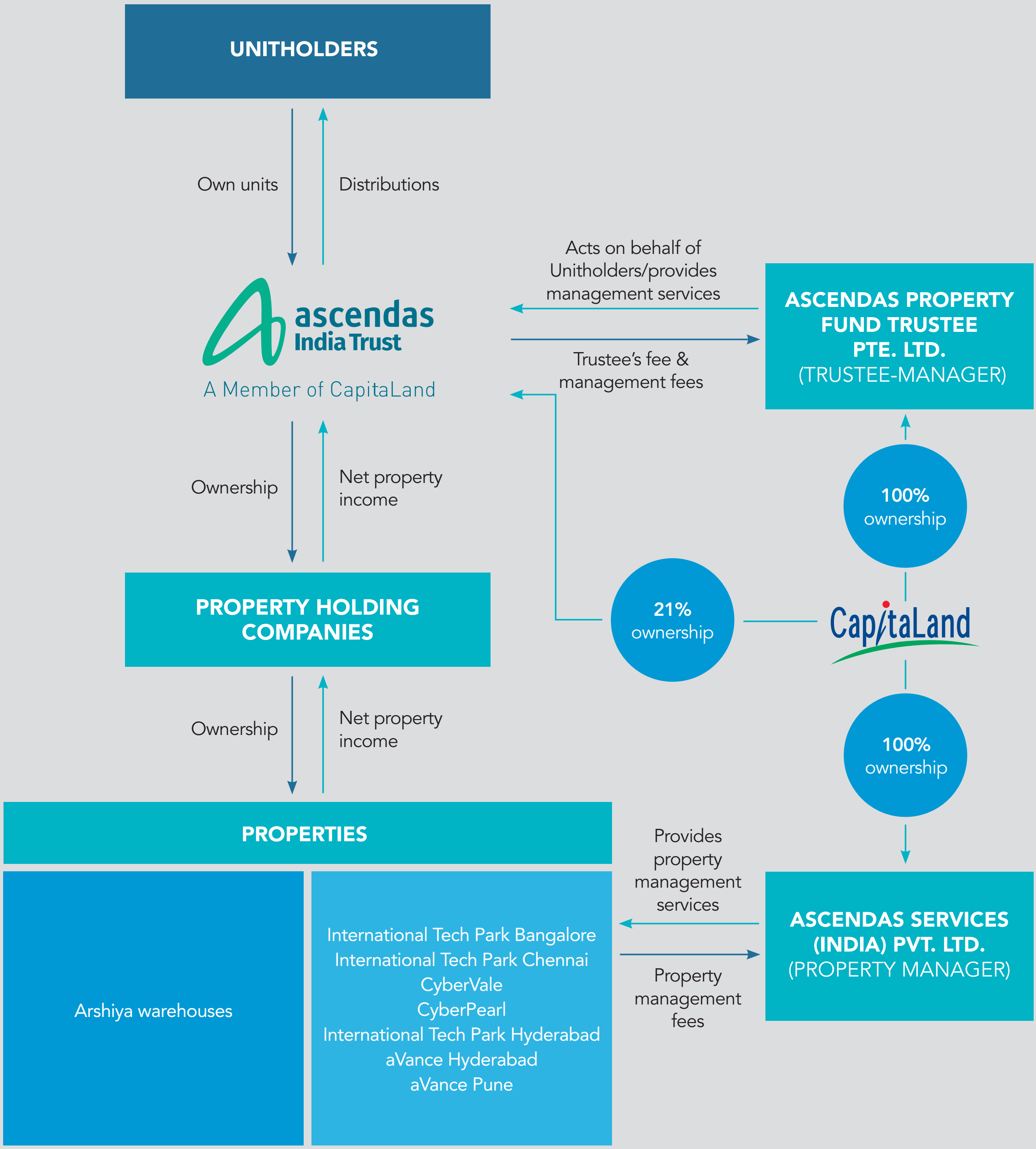
OUTLOOK

We remain confident about the growth of India's office and logistics market. Vacancy rates in our micro-markets are expected to remain low, with potential for rental growth. The increase in construction funding in line with construction progress of the forward purchase projects is likely to further contribute to the Trust's income in the coming financial year.

Sanjeev Dasgupta
Executive Director & CEO

6 Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings.
7 Excludes impact of short-term revolving credit facilities.
8 Excludes deferred income tax liabilities of ₹17.8 billion (S$339 million) on capital gains due to fair value revaluation of investment properties.
9 Refers to distribution per unit post retention of 10% of income.

TRUST & ORGANISATION STRUCTURE



TRUST OVERVIEW

Enhanced stability

Although a-iTrust is structured as a business trust, we have voluntarily adopted the following restrictions to enhance the stability of distributions to Unitholders:

- adherence to safeguarding provisions on allowable investments as defined under Monetary Authority of Singapore's Property Funds Appendix;
- gearing ratio capped at 45%;
- property development activities limited to 20% of Trust property; and
- minimum 90% of distributable income to be distributed.

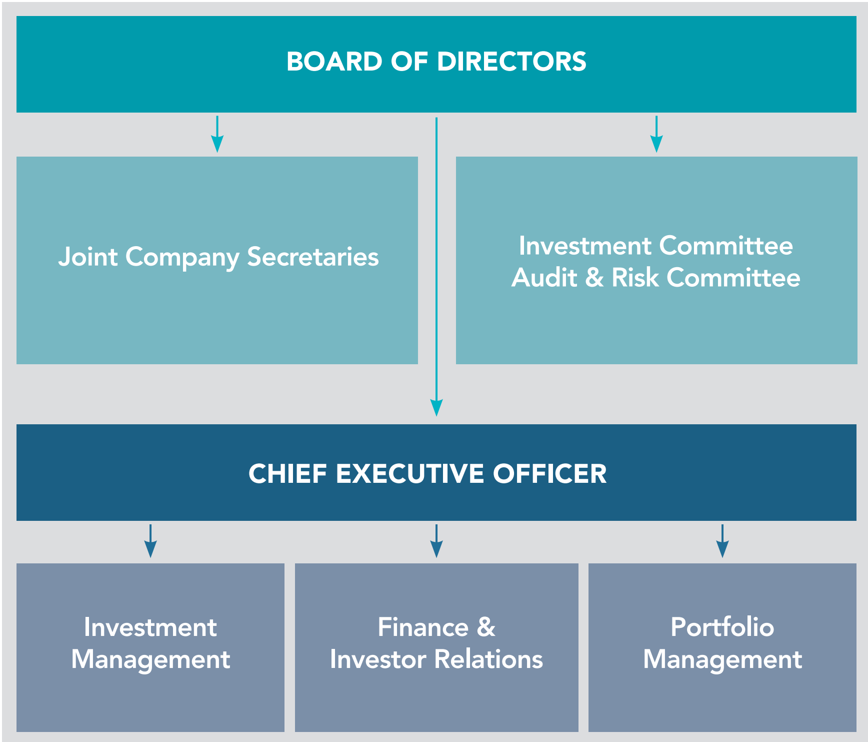
Tax-exempt distributions

Distributions made by a-iTrust, being a registered business trust, are not subjected to Singapore income tax in the hands of all Unitholders, i.e. regardless of whether they are corporates or individuals, foreign or local. Our distributions are free of Singapore withholding tax or tax deducted at source.

Asset and property management

a-iTrust is managed by Ascendas Property Fund Trustee Pte. Ltd. (Trustee-Manager), a wholly owned subsidiary of CapitaLand Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders, and managing the business conducted by a-iTrust. Ascendas Services (India) Private Limited (Property Manager) is responsible for managing the daily operations and maintenance of our properties.

ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.
(TRUSTEE-MANAGER)



Note:
The Nominating and Remuneration Committee has been dissolved with effect from 1 February 2020.

For more details on the Board of Directors, go to pages 20 – 23.
For more details on the Trustee-Manager, go to page 24.

BOARD OF DIRECTORS

MR CHIANG CHIE FOO
Chairman
Non-Executive Independent Director

MR MANOHAR KHIATANI
Deputy Chairman
Non-Executive Non-Independent Director

MR SANJEEV DASGUPTA
Chief Executive Officer
Executive Non-Independent Director

MR ALAN RUPERT NISBET
Non-Executive Lead Independent Director

MR T.V. MOHANDAS PAI
Non-Executive Independent Director

MRS ZIA JAYDEV MODY
Non-Executive Independent Director

MR JONATHAN YAP NENG TONG
Non-Executive Non-Independent Director

CHIANG CHIE FOO, 63

Chairman

Non-Executive Independent Director

- Bachelor of Electronic Engineering (First Class Honours), University of Western Australia
- Master in Public Administration, Harvard University

Date of first appointment as a Director

1 April 2016

Date of appointment as Chairman

8 July 2016

Length of service as a Director (as at 31 December 2019)

3 years and 9 months

Board committee served on

- Nominating and Remuneration Committee* (Chairman)

Present directorship in other listed companies

- ComfortDelGro Corporation Limited

Present principal commitments

- Asia Pacific Breweries Foundation's Board of Trustee (Member)
- Lee Kuan Yew Exchange Fellowship (Director)
- Valencia Club de Futbol (Director)
- Epworth Community Services Board (Member)
- Central Provident Fund Board (Chairman)
- PUB, Singapore's National Water Agency (Chairman)
- AETOS Holdings Pte Ltd (Chairman)
- Ministry of Defence (Senior Advisor)

Background and working experience

- Permanent Secretary, Ministry of Defence (2004 to 2013)
- Permanent Secretary, Prime Minister's Office (2005 to 2011)

MANOHAR KHIATANI, 60

Deputy Chairman

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

1 June 2013

Length of service as a Director (as at 31 December 2019)

6 years and 7 months

Board committees served on

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

Present directorships in other listed companies

- SIA Engineering Company Limited
- Ascendas Fund Management (S) Limited (manager of Ascendas Real Estate Investment Trust)

Present principal commitments

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

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

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

Background and working experience

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

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

BOARD OF DIRECTORS

SANJEEV DASGUPTA, 52

Chief Executive Officer
Executive Non-Independent Director

- Bachelor of Commerce, Mumbai University, India
- Master of Business Administration, London Business School, United Kingdom
- Qualified Chartered Accountant
- Graduate Company Secretary, India

Date of first appointment as a Director
1 October 2014

Length of service as a Director (as at 31 December 2019)
5 years and 3 months

Present principal commitments
- Chief Executive Officer, Ascendas Property Fund Trustee Pte. Ltd. (trustee-manager of Ascendas India Trust)

Background and working experience
- President, Real Estate, ICICI Venture Funds Mgmt. Co. Ltd. (2009 to 2014)
- Managing Director, Future Capital Real Estate (2005 to 2009)

ALAN RUPERT NISBET, 69

Non-Executive Lead Independent Director

- Diploma in Business Studies, Accounting from the Caulfield Institute of Technology, Melbourne

Date of first appointment as a Director
30 September 2015

Length of service as a Director (as at 31 December 2019)
4 years and 3 months

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

Present directorships in other listed companies
- Halcyon Agri Corporation Limited
- KrisEnergy Ltd
- Keppel REIT Management Limited (manager of Keppel REIT)

Present principal commitments
- Standard Chartered Bank (Singapore) Limited (Director)
- Kanni Advisory (Principal)
- RF Brussels Pte. Limited (Director)
- RF Capital (Credit) Pte Limited (Director)
- RF Capital Pte. Limited (Director)
- RF Holdings Pte. Limited (Director)
- Roberts Constructions Pte. Limited (Director)
- Roberts Investments Holdings Pte. Limited (Director)
- Roberts Investments Pte. Limited (Director)
- RF Renewables Pte. Limited (Director)

Background and working experience
- Principal, Kanni Advisory (June 2011 to Present)
- Partner, Deloitte & Touche LLP (January 1989 to May 2011)

T.V. MOHANDAS PAI, 61

Non-Executive Independent Director

- Bachelor of Commerce, St Joseph's College of Commerce, Bangalore
- Bachelor of Laws, the Bangalore University
- Fellow of the Institute of Chartered Accountants of India and Trustee of the IFRS Foundation

Date of first appointment as a Director
1 December 2011

Length of service as a Director (as at 31 December 2019)
8 years and 1 month

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

Present directorships in other listed companies
- Havells India Limited

Present principal commitments
- Manipal Global Education Services Private Limited (Chairman)
- Manipal Health Enterprises Private Limited (Director)
- MEMG International India Private Limited (Director)
- International Tax Research and Analysis Foundation (Director)
- Aarin Asset Advisors LLP (Designated Partner)
- 3one4Capital Advisors LLP (Partner)
- Aarin Capital Partners (Partner)
- Invest Karnataka Forum (Director)
- Meridian Investments (formerly 3One4 Meridian Trust) (Beneficiary)

Background and working experience
- Director & Head – Human Resource Development, Education & Research, Administration Infosys Leadership Institute, Finacle & Infrastructure, Infosys Limited (May 2000 to June 2011)
- Chief Financial Officer, Infosys Limited (1994 to 2006)
- Chairman of the Board, Infosys BPO Limited (2005 to 2009)

Awards
- Padma Shri Award, the fourth highest civilian award in India by the President of India (2015)
- Karnataka Rajyotsava Award by the Government of Karnataka (2008)
- Best CFO in India by AsiaMoney (2004) and by Finance Asia (2002)
- CFO of the Year by IMA India (2001)
- Ranked No. 1 angel investor in India in 2015

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

ZIA JAYDEV MODY, 63

Non-Executive Independent Director

- Bachelor of Arts (Law), Selwyn College, University of Cambridge
- Master of Laws, Harvard University
- Admitted to the New York State Bar Association and the Bar Council of Maharashtra and Goa

Date of appointment as Director

1 February 2018

Length of service as Director (as at 31 December 2019)

1 year and 11 months

Board committees served on

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

Present directorships in other listed companies

- CLP Holdings Limited
- The Hongkong and Shanghai Banking Corporation Limited

Present principal commitments

- AZB & Partners (Founder and Senior Partner)
- J.M. Holdings Limited (Director)
- Cambridge India Research Foundation (Non-Executive Director)
- ICCA Foundation, Inc. (the Governing Board - Non-Executive Member)
- Observer Research Foundation (Non-Executive Trustee)

Background and working experience

- Founder and Senior Partner, AZB & Partners (2004 to present)

Awards

- India Managing Partner of the Year
- Ranked No. 1 by Fortune India in its 'India's 50 Most Powerful Women in business' list
- India's 10 Most Powerful Women
- Asia's 50 Power Businesswomen

JONATHAN YAP NENG TONG, 52

Non-Executive Non-Independent Director

- Bachelor of Science in Estate Management (Honours), National University of Singapore
- Master of Science in Project Management, National University of Singapore

Date of first appointment as a Director

8 July 2016

Length of service as a Director (as at 31 December 2019)

3 years and 5 months

Board committee served on

- Investment Committee (Member)

Present directorships in other listed companies

- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust)
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust)

Present principal commitments

- CapitaLand Group (President, CapitaLand Financial)
- Institute of South Asian Studies, National University of Singapore (Member, Management Board)
- Real Estate Investment Trust Association of Singapore (Treasurer, Executive Committee)

Background and working experience

- Group Chief Operating Officer, Ascendas-Singbridge Pte. Ltd. (July 2018 to June 2019)
- Group Chief Financial Officer, Ascendas-Singbridge Pte. Ltd. (September 2017 to June 2019)
- Chief Investment Officer and Head of Real Estate Funds, Ascendas-Singbridge Pte. Ltd. (June 2015 to November 2017)
- Assistant Group Chief Executive Officer for Overseas Funds & India, Ascendas Pte Ltd (July 2012 to May 2015)
- Head of Real Estate Funds, Ascendas Pte Ltd (January 2008 to May 2015)
- Executive Director and Chief Executive Officer, Ascendas Property Fund Trustee Pte. Ltd. (June 2007 to September 2014)

TRUSTEE - MANAGER

SANJEEV DASGUPTA

Executive Director and Chief Executive Officer

Mr Dasgupta is both an Executive Director and the Chief Executive Officer of the Trustee-Manager. His experience can be found under the Board of Directors section.

TAN CHOON SIANG

Chief Financial Officer

As Chief Financial Officer, Mr Tan is responsible for financial and regulatory reporting, treasury, investor relations, taxation, risk management and compliance.

Mr Tan has more than 19 years of experience in financial management, investments, corporate finance, treasury and investment banking. Immediately prior to joining the Trustee-Manager, he was the Head of Corporate Finance & Treasury at Ascendas-Singbridge Pte. Ltd., where he oversaw Ascendas-Singbridge Group's corporate finance and treasury activities across the region. Prior to that, he was Vice President of Corporate Finance at Genting Singapore Plc, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited. At Genting Singapore, he was responsible for the company's investments, financing and treasury functions. Mr Tan joined Genting Singapore in 2011 and held various positions within the company, including Vice President of Investments and Director of Corporate Planning. Between 2006 and 2011, Mr Tan was at Goldman Sachs in Hong Kong and Singapore where he was an Executive Director in the Securities Division. Before Goldman Sachs, Mr Tan's experience also included stints in the Investment Banking Division at Deutsche Bank and the Ministry of Finance, Singapore.

Mr Tan holds a Master's Degree in Economics from Massachusetts Institute of Technology and a Bachelor of Science in Economics from Massachusetts Institute of Technology.

ROHITH BHANDARY

Head, Investments

Mr Bhandary was appointed Head, Investments with effect from 9 May 2019. Mr Bhandary is responsible for developing and executing a-iTrust's investment and business development strategy. He leads the team in seeking asset acquisitions and development opportunities.

Mr Bhandary has over 21 years of work experience across real estate, private equity and corporate finance. His real estate experience spans across private equity, project finance and advisory. Prior to joining the Trustee-Manager, Mr Bhandary was co-head of Real Estate Investment Practice at ICICI Venture where he managed investments of about INR 13 billion across multiple equity and debt real estate funds. His track record includes funds which have delivered a gross Internal Rate of Return of over 22%. Prior to joining ICICI Venture, Mr Bhandary was an Investment Principal at Actis India Real Estate Fund. Earlier, he worked with ICICI Bank in the Construction Realty & Funding (CRFG) group where he managed bank relationships with large real estate developers.

Mr Bhandary holds a Bachelor's degree in Mechanical Engineering from Mysore University, India and a Master of Business Administration from the Indian Institute of Management, Calcutta.

SUMIT GERA

Head, Portfolio Management

Mr Gera has over 14 years of experience in pan-Asia real estate investments, fund and portfolio management. Prior to joining the Trustee-Manager, Mr Gera was Head of India Investments and Capital Partnerships at Ascendas-Singbridge Group. In this role, he was responsible for managing India focused private equity partnerships, and portfolio and investment management for the Group's India investments.

Before joining Ascendas-Singbridge in 2016, Mr Gera was Vice President at Partners Group AG, a global private markets investment manager. At Partners Group, Mr Gera worked in Switzerland and Singapore and was responsible for over USD 400 million of real estate investments across Asia Pacific, with a focus on the Indian and Australian markets. He has also worked briefly at ICICI Bank and McKinsey & Company.

Mr Gera holds a Master's Degree in Business Administration from National University of Singapore and a Bachelor's Degree in Commerce from Shri Ram College of Commerce, University of Delhi, India.

PROPERTY MANAGER

VINAMRA SRIVASTAVA
Chief Executive Officer, ASIPL

Mr Srivastava was appointed Chief Executive Officer of ASIPL with effect from 1 April 2018.

In this role, Mr Srivastava oversees strategy, investments, project development, sales & marketing, and operations, and leads expanding and enhancing the Group's portfolio of assets in India.

Mr Srivastava was previously based in Singapore heading Group Corporate Strategy & Development in Ascendas-Singbridge. He contributed to the successful Ascendas-Singbridge post-merger integration process and has played a key leadership role to develop the India strategy for the Group as well as setting up the Group's logistics new business in India.

Prior to joining Ascendas-Singbridge, Mr Srivastava was a Principal with Roland Berger Strategy Consultants where he led projects primarily in Singapore, India, Southeast Asia, Europe and the Middle East.

He graduated with a Bachelor of Engineering degree from the University of Pune and a Master of Business Administration from the Indian Institute of Management Ahmedabad.

ANANTH NAYAK
Chief Financial Officer, ASIPL

Mr Nayak oversees the Finance function for CapitaLand's India operations which includes accounting and reporting, financial strategy and analysis, funding, treasury, tax matters and other key aspects.

He joined Ascendas-Singbridge in November 2018. He has spent over 23 years working in India across a diverse set of industries and has handled Finance for the most of his career.

He graduated with a Bachelor of Engineering degree from the National Institute of Technology, Surathkal and holds a Master of Business Administration from the Indian Institute of Management, Calcutta.

Prior to joining Ascendas-Singbridge, he was Chief Financial Officer with KEF Infra & Total Environment, Infrastructure & Real Estate companies based out of Bangalore. In his prior corporate experience, he has handled the roles of Vice President – Finance in Patni Computer Systems, Manager – Finance at Asian Paints apart from other assignments.

STRATEGY

MISSION
Deliver sustainable returns to our Unitholders through portfolio expansion and prudent capital management.

INVESTMENT MANAGEMENT

ASSET MANAGEMENT

CAPITAL MANAGEMENT

OBJECTIVE:

INVESTMENT MANAGEMENT	ASSET MANAGEMENT	CAPITAL MANAGEMENT
To develop or acquire quality assets which provide attractive cash flows, enhance earnings, and improve the diversification of the portfolio.	To maximise the financial and operational performance of the properties.	To maintain a strong financial position as we grow the portfolio.

WHAT WE DO:

INVESTMENT MANAGEMENT	ASSET MANAGEMENT	CAPITAL MANAGEMENT
We grow by developing our land bank and acquiring stabilised properties from third parties and our sponsor.	We provide distinctive spaces and nurture strong tenant relationships to attract and retain quality tenants.	We diversify our funding sources. We consider raising equity and debt to fund our growth, to maintain the Trust's gearing at an appropriate level. We also employ strategies to manage our exposure to interest rate, currency and liquidity risks.

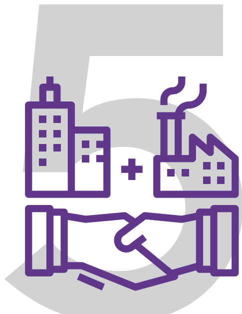
To read more, go to pages 32 - 35.
To read more, go to pages 36 - 39.
To read more, go to pages 40 - 41.

ENTERPRISE RISK MANAGEMENT

To protect and optimise returns for Unitholders.

We maintain an enterprise-wide risk management process that identifies material risks and implements key controls to mitigate those risks.

To read more, go to pages 42 - 43.



INVESTOR RELATIONS

To help investors make informed investment decisions on a-iTrust.

We provide timely and transparent information to the investment community to apprise them of significant developments regarding the Trust.

To read more, go to pages 44 - 45.

BUSINESS SUSTAINABILITY

To run our business in a sustainable and responsible manner.

We incorporate sound environmental, social and governance practices into our business.

To read more, go to pages 60 - 87.

MARKET REVIEW

Source: Savills Research

ECONOMIC OVERVIEW

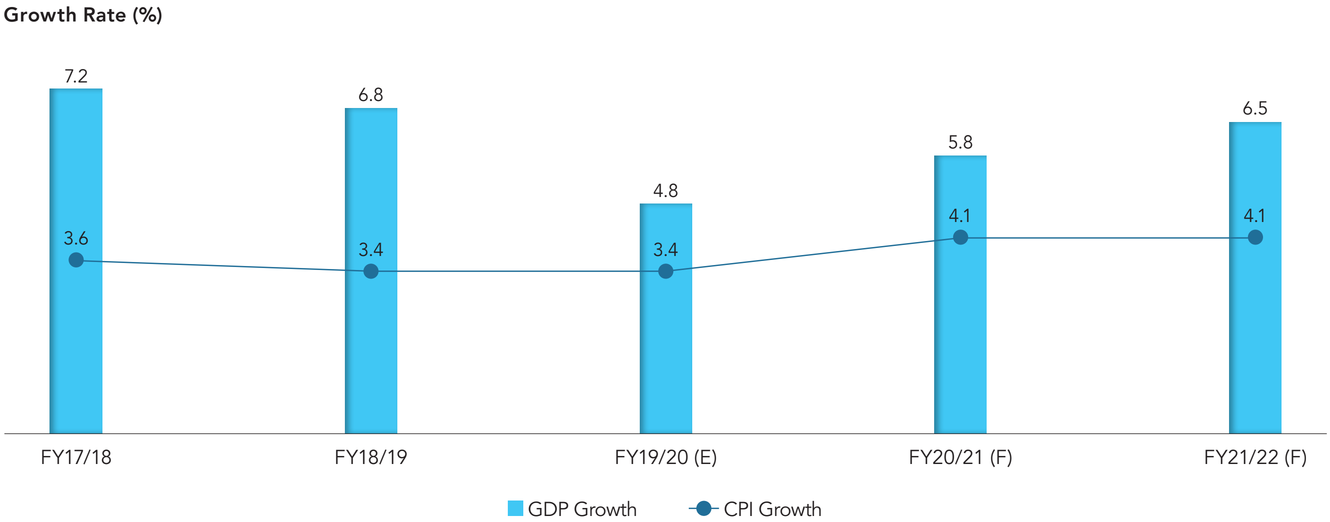
India continues to be one of the fastest-growing large economies in the world. Based on the International Monetary Fund (IMF) estimate of India's FY19/20 GDP, India is the fifth-largest economy in the world and third largest in terms of purchasing power parity.

India's FY19/20 GDP growth is estimated at 4.8%, lower than the 6.8% in FY18/19 due to stress in the non-bank financial sector resulting in slower domestic demand growth. Growth is expected to pick up to 5.8% and 6.5% in FY20/21 and FY21/22 respectively, supported by monetary and fiscal stimulus.

FY19/20 Consumer Price Index ("CPI") inflation remained stable and in line with FY18/19 at 3.4%. CPI forecasts for FY20/21 and FY21/22 are estimated at 4.1%; higher than FY19/20 due to higher expected food inflation, and rising healthcare and education costs.

India's ranking in World Bank's Ease of Doing Business climbed to the 63rd position in 2019, making it one of the world's top 10 improved economies for the third consecutive time. In addition to policy changes such as GST, RERA and IBC, there were reforms in areas such as construction and cross-border trade that helped improve India's ranking.

INDIA'S GDP AND CPI
(Year–on–year growth)



Source: World Economic Outlook, January 2020, IMF

IT INDUSTRY OVERVIEW

The table below highlights the IT industry performance over the last few years:

Particulars	Unit	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
IT-BPM Revenues*	USD billion	109	119	132	143	154	167	177
Growth in IT-BPM Revenues	%	8.0	9.7	10.4	8.5	8.6	8.0	6.1
Exports	USD billion	77	86	98	108	116	126	136
Growth in Exports	%	11.6	11.6	12.3	10.3	7.6	8.6	8.3
Exports as % of Total Revenues	%	71	72	74	76	75	75	77
Employment	in million	3.0	3.3	3.5	3.7	3.9	4.0	4.1
Increase in Employment	Number	191,000	323,000	231,000	200,000	170,000	105,000	135,000

* Values exclude revenue from e-commerce sector
Source: National Association of Software and Services Companies (NASSCOM)

The Information Technology and Business Process Management ("IT-BPM") sector registered a moderate growth of 6.1%[1] in FY18/19 as compared to 8.0%[2] in FY17/18. This growth was due to the upskilling of employees and advancement in digital transformation enablers such as robotic process automation, cloud computing, artificial intelligence, and data analytics. The sector also saw exports of USD 136 billion[3] in FY18/19, which contributed to 5% of India's GDP.

The industry is also one of the largest organised sector employers, with nearly 4.1 million[3] employees. 135,000[3] jobs were created in FY18/19 as compared to 105,000[2] jobs in FY17/18, an increase of 29%.

The key emerging challenges for the IT-BPM sector include global political and economic uncertainty and the introduction of disruptive technologies.

1 NASSCOM India Performance: 2018/19
2 NASSCOM Strategic Review 2018
3 NASSCOM Strategic Review 2019

MARKET REVIEW

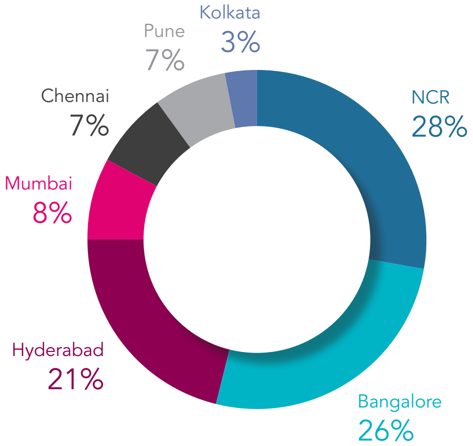
Source: Savills Research

OFFICE MARKET OVERVIEW

The India office market is concentrated in seven key cities, which contribute to the majority of investment-grade office stock in the country.

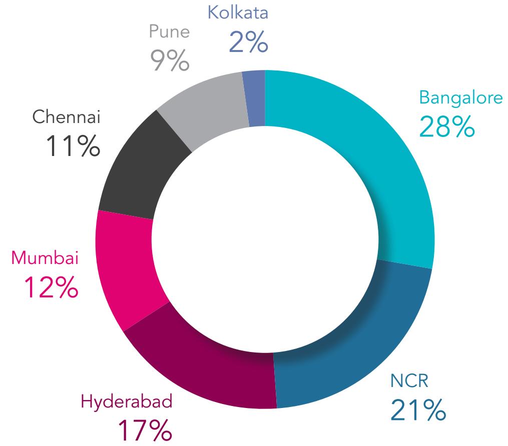
Grade-A Office Supply CY2019

Total
50 MILLION SQ FT
IN CY2019



Grade-A Office Absorption CY2019

Total
56 MILLION SQ FT
IN CY2019



Source: Savills Research

SUPPLY TREND

The Indian commercial office sector saw 50 million sq ft of Grade-A supply across the top seven cities (Bangalore, Mumbai, Hyderabad, NCR, Pune, Chennai and Kolkata) in CY2019. This represented an increase of 27% as compared to CY2018. NCR witnessed the highest supply of office space of 14.0 million sq ft followed by Bangalore and Hyderabad with supply of 12.8 million sq ft and 10.2 million sq ft respectively. Bangalore, Chennai, Hyderabad and Pune, cities where the Trust properties are located, collectively accounted for approximately 61% of the supply in CY2019. Quality supply continues to draw in occupiers who are willing to pre-commit space, especially in cities like Bangalore, Hyderabad, Chennai and Pune.

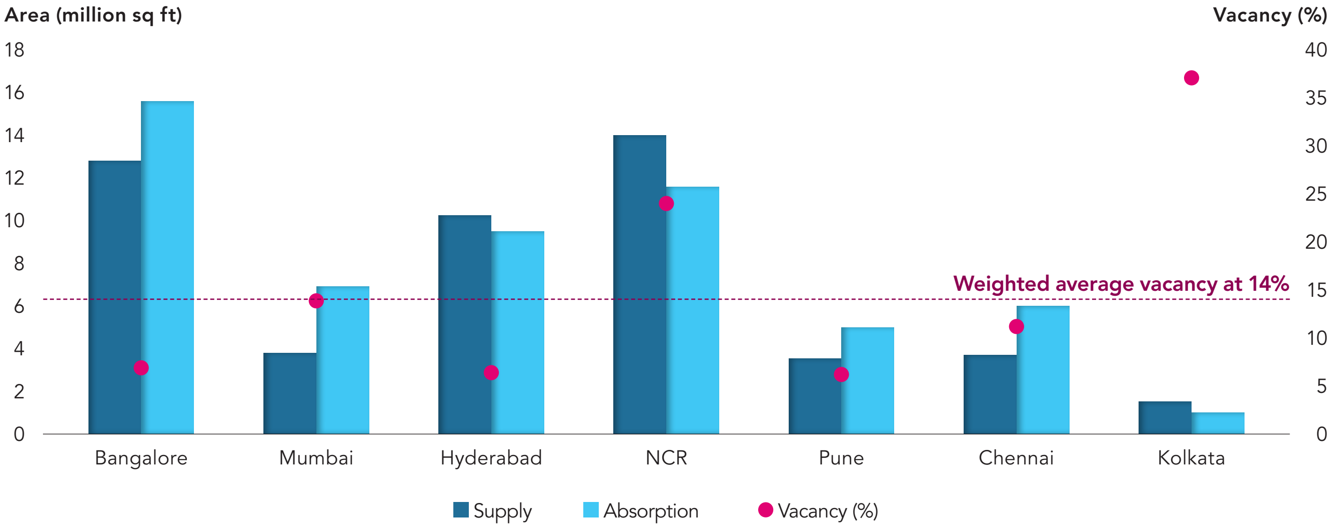
ABSORPTION TREND

Commercial office absorption across the top seven cities (Bangalore, Mumbai, Hyderabad, NCR, Pune, Chennai and Kolkata) in CY2019 was 56 million sq ft, higher than the historic benchmark of 44 million sq ft recorded in CY2018. The primary demand generators for this 26% increase in absorption over CY2018 were technology companies including IT/ITES, with a share of over 46% of Grade-A office absorption. Co-working has been among the fastest-growing demand segments with a 14% share of office leasing followed by the banking, financial services and insurance sector which leased 11% of the overall Grade-A office space.

Bangalore continues to be the biggest office market in India. Its office space absorption of 15.6 million sq ft is approximately 28% of India's total absorption, followed by NCR region and Hyderabad, with an absorption of 11.6 million sq ft and 9.5 million sq ft respectively.

Bangalore, Chennai, Hyderabad and Pune, cities where the Trust properties are located, registered a total gross absorption of 36 million sq ft, accounting for approximately 65% of the total absorption in CY2019. In CY2019, a record 18 million sq ft of upcoming space was pre-leased across the top seven cities, of which, Hyderabad contributed 33%, followed by Chennai and Bangalore, at 24% each.

SUPPLY, ABSORPTION AND VACANCY IN CY2019



Source: Savills Research

VACANCY TREND

The weighted average vacancy level across the top seven cities dropped to 14% in CY2019 as compared to 16% in CY2018. This drop is due to the higher annual absorption vis-a-vis new supply in cities like Bangalore, Mumbai, Chennai and Pune. Pune and Hyderabad had the lowest vacancy levels among the top seven cities at 6%, followed by Bangalore at 7%.

OUTLOOK

The market demonstrated strong office space absorption in CY2019, a 26% increase over CY2018. Availability of skilled manpower at competitive cost, attractive rentals and supportive government policies will continue to drive office space demand from multinationals in CY2020. Additionally, The 'Make in India' initiative is expected to generate incremental demand from domestic Indian companies and start-ups. CY2020 office space demand is estimated to be more than 10% higher than CY2019.

Due to the limited availability of Grade-A office space across the top seven cities, pre-leasing in CY2019 was at a record at approximately 18 million sq ft, which was higher than approximately 15 million sq ft in CY2018. This strong pre-leasing is a leading indicator of strong underlying demand.

In light of the robust demand, developers are focusing on construction completion of ongoing projects and announcing new projects across the top cities. CY2020 is projected to witness significant completions - approximately 55 million sq ft of fresh supply is expected to be added across the top seven cities. The average vacancy level across the top seven cities is expected to remain stable at around 14% in CY2020.

The SEZ Sunset Clause announced in the FY17/18 budget came into effect after March 2020 and new SEZ units are not eligible for direct tax benefits. This is likely to impact demand for new SEZ developments.

A joint venture of the Embassy Group and Blackstone launched India's first onshore REIT, Embassy Office Parks, in March 2019. This laid the foundation for launch of other REITs in the coming years, which will likely contribute to more transparency and depth in India's real estate sector.

Overall, with supportive government policy, strong demand from occupiers and a healthy supply pipeline, we expect strong commercial real estate activity in India for CY2020.

INVESTMENT MANAGEMENT

OVERVIEW

Objective
Our investment management objectives include:

- progressively developing the Trust's land bank, taking into consideration market conditions and leasing demand, so as to reduce risks and maximise returns; and
- acquiring quality assets which provide attractive cash flows, enhance earnings, and diversify the portfolio.

DEVELOPMENT STRATEGY

Since listing, a-iTrust has developed 5.0 million sq ft of commercial space from its land bank. The Trust continues to hold substantial land in Hyderabad, Bangalore and Chennai, with total development potential of 7.7 million sq ft[1].

In Hyderabad, we are redeveloping International Tech Park Hyderabad (ITPH) to maximise the leasable space, rejuvenate the park, and leverage on the strong demand in Hyderabad. The redevelopment of ITPH would unlock significant value for Unitholders as it increases the development potential without incurring incremental land cost. We are redeveloping ITPH in phases over the next seven to 10 years to increase the leasable area from 1.5 million sq ft[2] to 5.0 million sq ft. We have commenced Phase I of the redevelopment, a new 1.4 million sq ft multi-tenanted building. The construction is expected to be completed by the second half of 2021.

In Bangalore, the construction of a 0.7 million sq ft IT SEZ building at International Tech Park Bangalore (ITPB) is in progress and is expected to be completed by second half of 2020. The building has been fully pre-leased to a leading IT services company. After the completion of the building, the additional 3.1 million sq ft of development potential within ITPB will be developed in phases over the coming years.

In Chennai, CyberVale has a 4.4 acres vacant plot with the potential to build a 0.4 million sq ft IT building. Construction will commence when we have clear visibility of leasing demand in that micro-market.

1 Includes buildings under construction and additional development potential of 1.1 million sq ft in ITPB due to revised government regulation.
2 Excludes Auriga building of 0.2 million sq ft which was demolished.

ACQUISITION STRATEGY

We pursue acquisitions that offer attractive cash flows and returns relative to a-iTrust's weighted average cost of capital. We seek acquisitions that enhance the diversification of the portfolio and optimise risk-adjusted returns to Unitholders. We have acquired 4.8 million sq ft of leasable area since listing.

IT/ITES office space continues to be a key focus. After our first investment in the logistics sector in Arshiya Free Trade Warehousing Zone (FTWZ) located at Panvel, near Mumbai, we continue to evaluate acquisitions in the logistics/ warehousing segment. We are also actively evaluating acquisitions in the data centre space to capture a part of this fast-growing segment.

We have targeted Bangalore, Chennai, Hyderabad, Mumbai, NCR (comprising Delhi, Gurgaon and Noida) and Pune for new acquisitions. These cities were chosen because of their sound infrastructure, sizeable pool of talented workforce and substantial economic base.

When sourcing for third party properties, we leverage on CapitaLand Group's presence in India, proprietary deal origination and access to market information to gain a competitive advantage.

We focus on the following criteria when evaluating new acquisitions space:

- Location – access to public transportation and skilled workforce, proximity to residential developments and social infrastructure.
- Tenancy profile – the credit standing of its tenants and diversification of tenant base.
- Design and specification – the quality of the property, including its size, age, and state of maintenance.
- Land title and land tenure – to ensure clear and marketable title, and reasonably high residual land tenure.
- Rental and capital growth prospects – its current rent and capital value compared to comparable properties; the overall market outlook and potential growth factors.
- Opportunity to add value – the potential to increase rental/occupancy rates or enhance value through selective renovations and/or other enhancement works.

Sponsor pipeline

CapitaLand Group has granted a-iTrust the Right of First Refusal (ROFR) to acquire its stake from the following entities, upon project completion and stabilisation:

- CapitaLand India, which holds majority stake in International Tech Park Pune, an IT SEZ in Pune, with 1.9 million sq ft of completed space and 0.4 million sq ft under development; and
- Ascendas India Growth Programme (AIGP), a real estate investment programme that targets business space developments. CapitaLand India owns a stake of 30% in AIGP.

Additional deal flow is also expected from the Ascendas-Firstspace platform (ASB FS). ASB FS is a joint venture between CapitaLand and Firstspace Realty for investments in logistics and industrial infrastructure with a target to develop close to 15.0 million sq ft of space over the next few years.

INVESTMENT MANAGEMENT

Forward Purchase

a-iTrust has invested in forward purchase deals where the initial funding is structured in the form of debt with security of the underlying land and receivables. The security package typically also includes pledge of the shares of the project Special Purpose Vehicle (SPV). The construction funding is also disbursed through an a-iTrust controlled escrow account. Active project monitoring is done by the Trustee-Manager and Property Manager to monitor timelines and quality specifications.

The deal structure helps the developer to complete financial closure and a-iTrust has also been able to acquire properties at reasonable valuations. The current credit constraints in the Indian financial markets are providing a-iTrust with a pipeline of opportunities at strategic locations. A list of the committed forward purchase transactions is given in the table below:

Committed Pipeline

Asset Class	Project Name	Location	Building	Estimated Floor Area (million sq ft)	Expected Total Consideration[3]	Expected Time of Completion/Status
IT park	aVance Hyderabad	HITEC City, Hyderabad	aVance 5	1.16	₹13.5 billion (S$270 million)	2H 2020
			aVance 6	0.64		Completed. Leasing commitment of 98% with Amazon[4] as the anchor tenant.
	aVance Business Hub 2	HITEC City, Hyderabad	A1	1.05	₹14.0 billion (S$278 million)	2H 2023
			A2	1.05		2H 2023
			Development Potential	2.43	To be finalised	Development timelines to be finalised.
	AURUM IT SEZ	Ghansoli, Navi Mumbai	Building 1	0.60	₹9.3 billion (S$186 million)	Completed. Occupancy certificate received. 43% pre-committed.
			Building 2	0.80		2H 2020
	BlueRidge 3	Hinjawadi, Pune	Phase 1	1.41	₹9.8 billion (S$194 million)	1H 2021
			Phase 2	0.43		2H 2023
Logistics Park	Arshiya warehouses	Panvel, near Navi Mumbai	7th Warehouse	0.33	₹2.1 billion (S$42 million)	2H 2020
			Development Potential	2.47	To be finalised	Development timelines to be finalised.

3 Based on exchange rate at the time of investment/announcement.
4 Amazon Development Center (India) Pvt. Ltd.

CASE STUDY

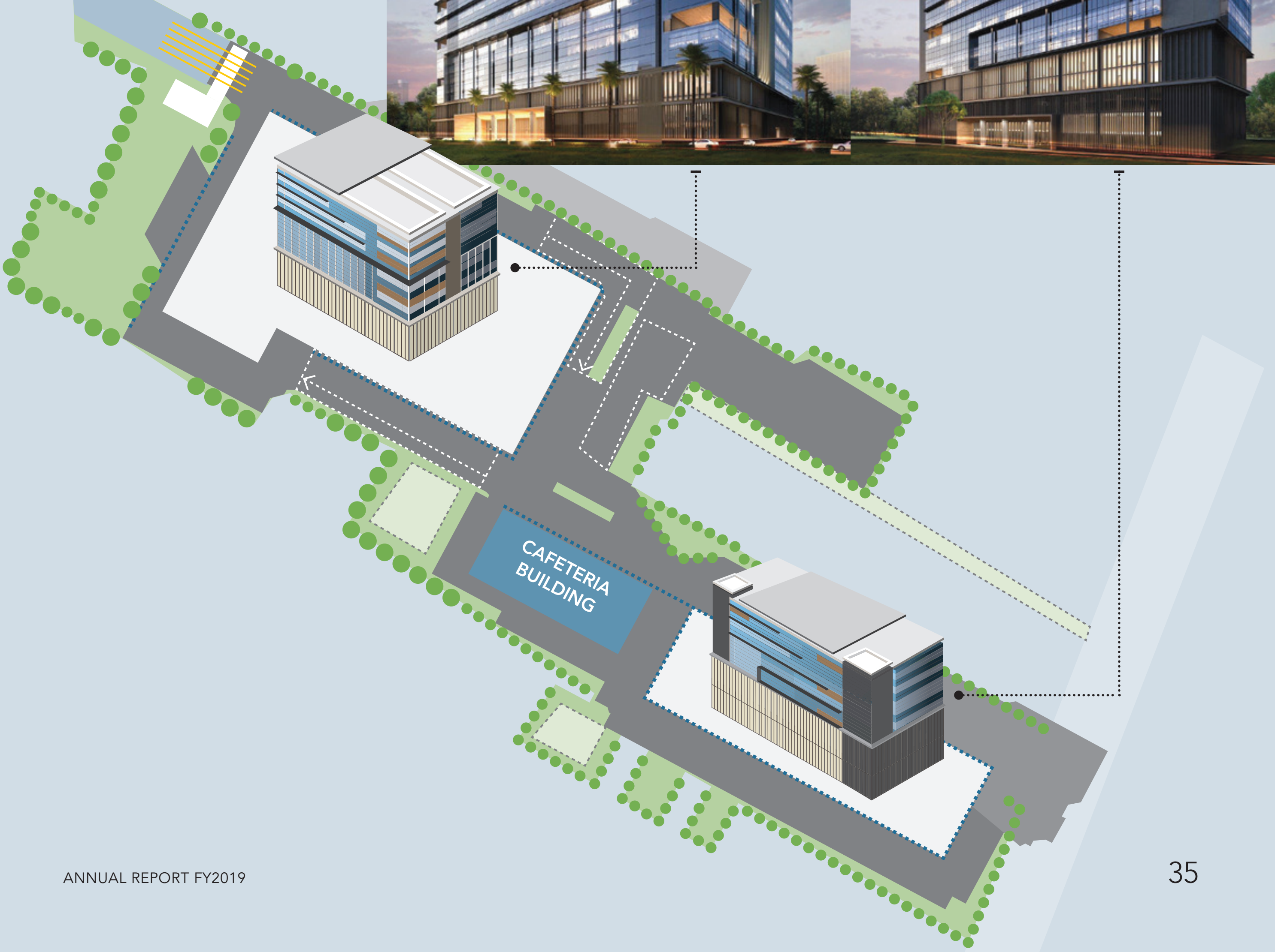
THIRD PARTY ACQUISITIONS

BLUERIDGE 3

In June 2019, a-iTrust entered into a master agreement for construction funding and forward purchase agreement to acquire Phase 1 and Phase 2 (aggregate net leasable area of 1.8 million sq ft) in BlueRidge 3 IT SEZ, located in Hinjawadi Phase 1, Pune. Currently, Phase 1 is under construction and is expected to be completed in 2021. Construction of Phase 2 will commence nine months from the date of obtaining occupancy certificate for Phase 1 or 60% leasing of Phase 1, whichever is later.

To ensure the buildings are constructed as per a-iTrust's specifications and requirements, a-iTrust and Paranjape Group have jointly set up a project management committee to oversee the design and development. Leasing responsibility for the project is with the Trust. Existing tenants of aVance Pune have shown interest to take up space in BlueRidge 3 for their growth requirements.

BLUERIDGE 3 – INDICATIVE MASTER PLAN



ASSET MANAGEMENT

OVERVIEW

Objective

Our asset management objectives include:

- providing distinctive spaces and quality solutions to tenants;
- nurturing strong and long-standing relationships with tenants; and
- maximising the long-term financial and operational performance of the properties.

PRODUCT STRATEGY

We offer distinctive spaces that are built to international specifications and standards. Our properties have won multiple awards for their distinguished quality; foremost amongst them are two Gold awards from the FIABCI Prix d' Excellence Award. Both International Tech Park Bangalore and International Tech Park Chennai have received this top accolade, affirming our ability to construct and manage world-class properties. We also place great emphasis on environmental sustainability and most of our buildings have green certifications, as shown in the list below.

City	Property	Building	Award
Bangalore	International Tech Park Bangalore	Anchor	IGBC[1] Platinum
		Aviator	IGBC Platinum
		Creator	USGBC LEED[2] Gold
		Discoverer	USGBC LEED Gold
		Explorer	IGBC Gold
		Innovator	USGBC LEED Gold
		Inventor	IGBC Gold
		Navigator	IGBC Gold
		Victor	USGBC LEED Platinum
		Voyager	IGBC Silver
Chennai	International Tech Park Chennai	Crest	USGBC LEED Gold
		Pinnacle	USGBC LEED Gold
		Zenith	USGBC LEED Platinum
	CyberVale	Lakeview	USGBC LEED Gold
		Building 3	USGBC LEED Gold
		Springfield	USGBC LEED Gold
Hyderabad	International Tech Park Hyderabad	Atria	USGBC LEED Gold
		Vega	USGBC LEED Platinum
	CyberPearl	Block A	IGBC Gold
		Block B	IGBC Gold
Pune	aVance Pune	Buildings 1-3	IGBC Silver

1 Indian Green Building Council
2 U.S. Green Building Council Leadership in Energy and Environmental Design

We differentiate our properties by providing reliable solutions to customers. Our tenants are assured of smooth and uninterrupted infrastructure support within our properties. We have installed backup generators to provide continual power to our facilities. We also implement best practices and processes in key areas of safety, fire, utilities and security systems as part of our business continuity plan.

With the rising global risk of terrorism, our properties are fitted with a combination of security features to provide tenants with a peace of mind. Our security officers are trained to handle different threats and contingency situations. Armed guards, vehicle arrestors at main entrances and power fencing lining the boundary walls are added precautions provided in our properties. In addition, we work closely with and regularly receive intelligence inputs from the local police, the State Intelligence Bureau and the Centre for Counter Terrorism.

We provide an international business lifestyle within our properties that inspires knowledge workers. Extensive amenities are provided within aesthetically landscaped settings incorporating lush gardens and artworks. Amenities in our IT parks include gymnasium and fitness facilities, co-working and flexi-office space, food courts, restaurants and cafes. Conveniences include automated teller machines, banks, gift shops, travel agencies and pharmacies.

TENANT STRATEGY

To attract quality customers that are willing to commit to long leases, we offer innovative and quality solutions that go beyond meeting their basic requirements. Throughout their tenure with us, we maintain open communication to ensure smooth operations, and in the process, forge enduring relationships with our customers. This way, our customers can take their minds off their real estate needs and be able to focus on their business and compete more effectively in their markets.

We actively engage our partners and customers through various networking events and meetings. 'Ascendas Interface' is one such event that allows us to socialise and interact with our partner property agents. In this financial year, over 150 property agents attended this event in Hyderabad and Pune, where the Property Manager gave out awards and prizes to the top performing agents. In addition, we regularly organise activities including festive celebrations and sporting and charity events to create a vibrant and balanced lifestyle for our tenants. We have received constant feedback from our tenants that such events help keep their employees engaged and satisfied, which in turn lowers their staff attrition rate and reduces their manpower costs.

ITPC Livewire 2019

Calendar of events:

Quarter	Location	Event
1	Bangalore	Earth Day 2019
2	Bangalore	ITPB Livewire 2019
	Chennai	ITPC and CyberVale Healthy Lifestyle and Sports Meet
		ITPC Livewire 2019
3	Bangalore	ITPB Carnival 2019
	Hyderabad	Hyderabad Livewire 2019
		Hyderabad Connect 2019
		Hyderabad Interface 2019
	Pune	Pune Interface 2019
		aVance Pune Livewire 2019

ASSET MANAGEMENT

CASE STUDY

ASSET ENHANCEMENT AT PARK SQUARE MALL

Well-located along Whitefield Main Road, Park Square Mall is an iconic retail destination that serves the Whitefield office and residential catchment. Located within International Tech Park Bangalore (ITPB), the 416,000 square feet mall boasts a wide range of retail, entertainment and food and beverage options.

In 2016, the Trust undertook a multi-pronged strategy to improve footfalls, customer experience, and overall mall performance. This involved a comprehensive asset enhancement initiative to redesign, refurbish and reposition the mall, as well as a change of retail and entertainment operators.

We completed the turnaround of the mall in 2019 and have seen footfalls increase from an average of 5,000 per day in 2016, to the current average of 14,000 per day. The mall occupancy has also increased from an average of 59% in 2016, to 91% in 2019. New brands such as Hard Rock Café, Starbucks, Decathlon and Aura (SPI) Cinemas cement Park Square Mall's position as a leading lifestyle destination in the Whitefield micro-market.


BUCKS COFFEE A TATA Alliance


HAND WASH

CAPITAL MANAGEMENT

OVERVIEW

Objective

Our capital management objectives include:

- employing the appropriate hedging strategy to manage currency risk;
- diversifying our funding sources;
- maintaining a healthy balance sheet by keeping gearing at a sensible level; and
- ensuring sufficient liquidity to meet our business requirements.

Key Indicators

Indicator	As at 31 December 2019	As at 31 March 2019
Gearing ratio[1]	28%	31%
Interest service coverage (Adjusted EBITDA[2]/Interest expenses)	3.6 times	4.0 times
Percentage of Indian Rupee debt	71%	62%
Percentage of fixed rate debt	89%	77%
Percentage of unsecured borrowings	100%	100%
Effective weighted average cost of debt	6.3%	6.0%
Available debt headroom[3]	S$802 million	S$593 million
Net asset value	S$1.09 per unit	S$1.02 per unit
Adjusted net asset value[4]	S$1.38 per unit	S$1.31 per unit

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

	Announced use of proceeds (S$ million)	Actual use of proceeds (S$ million)	Balance of proceeds (S$ million)
To part finance the initial upfront funding of Phase 1 of the Project[5] or to be applied towards project funding for existing committed pipeline projects which have been announced or to repay existing indebtedness	147.0	–	147.0
To pay the fees and expenses, including professional fees and expenses, incurred by a-iTrust in connection with the Private Placement.	3.0	3.0	–
Total	**150.0**	**3.0**	**147.0**

In November 2019, a-iTrust raised equity of S$150 million through a private placement of 99,470,000 new a-iTrust Units. As at 31 December 2019, about S$3.0 million or 2.0% of gross proceeds has been used to pay the fees and expenses, including professional fees and expenses, incurred by a-iTrust in connection with the Private Placement. The net proceeds remaining have been used to repay existing short-term loans in the interim. The use of proceeds is currently in accordance with the stated use and the percentage allocated in the announcement on 20 November 2019. The Manager will make further announcements on the utilisation of the remaining proceeds from the Private Placement as and when such funds are materially disbursed.

1 Ratio of effective borrowings to the value of Trust properties. As at 31 December 2019, the effective borrowings to net asset ratio and total borrowings less cash and cash equivalent to net asset ratio were 53.9% and 49.7% respectively.
2 Earnings before interest expense, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans). Earnings include interest income.
3 Available debt headroom is based on the gearing limit of 45% in accordance with the Trust Deed read with Appendix 6 of the Code on Collective Investment Schemes.
4 Excludes deferred income tax liabilities on capital gains due to fair value revaluation of investment properties.
5 a-iTrust has entered into a non-binding agreement for a potential investment by way of forward purchase of a business park in Bangalore.

FUNDING STRATEGY

Our strategy is to diversify funding sources from financial institutions and capital markets to reduce the Trust's reliance on any single source of funding. The Trust has grown significantly since the inception of the original S$500 million Medium Term Note (MTN) Programme. To continue to grow the Trust and provide for more flexibility in the Trust's funding requirements, the existing MTN Programme was upsized to S$1.5 billion in April 2019. Its principal bankers also include DBS Bank, UOB, Mizuho Bank, Citibank, J.P. Morgan, HSBC, BEA and Standard Chartered Bank. As at 31 December 2019, the Trust has total effective borrowings[6] of S$719 million, comprising S$189 million of MTN notes and S$530 million of bilateral loans.

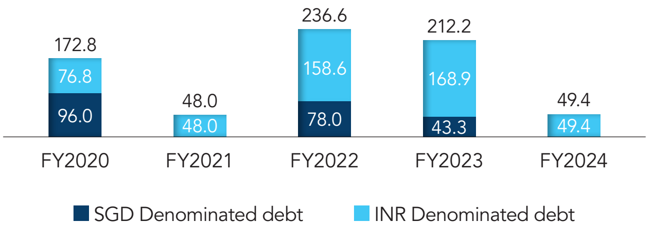
Our approach to equity raising is predicated on maintaining a strong balance sheet by keeping the Trust's gearing ratio at an appropriate level. We will carefully consider the impact on a-iTrust's DPU and net asset value before making any decision on raising equity. During FY2019, total gross proceeds of S$150 million were raised in a private placement to mainly fund a potential investment[5]. The proceeds may be used for other purposes, including funding existing committed pipelines or repaying existing loans, if the potential investment does not take place.

We lower the Trust's borrowing cost by having a mix of Indian Rupee and Singapore Dollar borrowings. As at 31 December 2019, 71% of the Trust's borrowings were denominated in Indian Rupee with the remaining 29% in Singapore Dollar.

The weighted average interest cost of a-iTrust's Singapore Dollar and Indian Rupee borrowings were 3.0% and 7.7% respectively as at 31 December 2019. a-iTrust's overall weighted average cost of debt was 6.3% as at 31 December 2019.

We do not borrow Indian Rupee loans onshore in India as it costs less to hedge Singapore Dollar borrowings to Indian Rupee-denominated borrowings using cross-currency swaps and derivatives.

Debt expiry profile
(S$ million)



Debt headroom

As at 31 December 2019, the Trust may increase its borrowings by an additional S$802 million before reaching the gearing limit of 45% as provided for under the Trust Deed of a-iTrust. This provides the Trust with significant resources to fund potential acquisitions and developments using additional borrowings.

CASH MANAGEMENT

The Trust monitors and maintains a level of cash and cash equivalents deemed adequate to meet the Trust's operations and meet any short-term liabilities. The cash generated from operations at Indian entities are placed in bank fixed deposits to maximise interest income prior to the intended repatriation event.

INCOME HEDGING STRATEGY

We hedge the Trust's distributable income. Income is repatriated semi-annually from India to Singapore. The Trust enters into forward contracts on a monthly basis to hedge a substantial portion of income. This mitigates the risk of large currency fluctuations in the period before income is repatriated to Singapore.

The gain or loss associated with the forward contract before its maturity is recognised as unrealised fair value gain or loss on derivative financial instruments in the income statement. On maturity of the forward contract, the gain or loss is recognised as realised fair value gain or loss on derivative financial instruments in the income statement.

DISTRIBUTION POLICY

The Trust's policy is to distribute at least 90% of its distributable income. Since April 2012, a-iTrust has retained 10% of its distributable income to provide greater flexibility in growing the Trust. With effect from 1 April 2019, a-iTrust's financial year end was changed from 31 March to 31 December. Going forward, the Trust will make distributions to Unitholders for every six-month period ending 30 June and 31 December.

6 Calculated by adding/(deducting) derivative financial instruments liabilities/(assets) to/from gross borrowings, including deferred consideration.

ENTERPRISE RISK MANAGEMENT

OVERVIEW

It is our policy that a-iTrust implements a consistent risk management approach and methodology across its entities. We recognise that risk management is integral and essential to achieving our strategic goals and business outcomes.

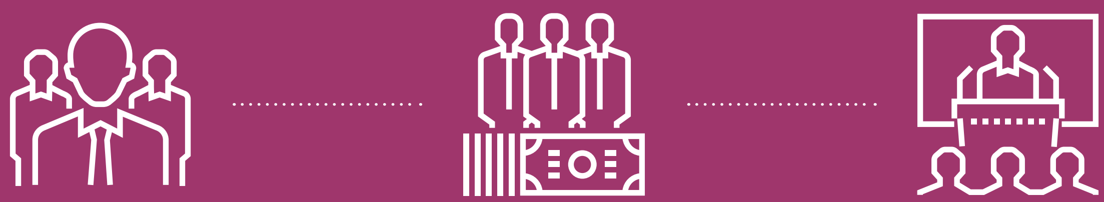
a-iTrust has no direct employees. Ascendas Property Fund Trustee Pte. Ltd. and Ascendas Services (India) Private Limited act as the Trustee-Manager and Property Manager respectively. Hence the risk management processes and practices are executed by the Trustee-Manager, Property Manager and such other parties providing services to a-iTrust, for or on behalf of a-iTrust.

a-iTrust accepts, as an organisational philosophy, that:

- management of risk is critical to governance and forms part of Management's responsibilities at all levels within the Trust (Board, senior management and, ultimately, all staff);
- guidance for discharge of these responsibilities will be provided via key strategic and operational risk management principles applicable throughout the Trust; and
- external assistance may be engaged periodically to independently verify implementation of this policy and review key risk management principles.

Enterprise-wide risk management process is put in place to ensure potential risks are identified and key risk controls are established and implemented. This is continuously monitored and reviewed in light of changing circumstances and regulatory requirements, and realigned where necessary.

ENTERPRISE-WIDE RISK MANAGEMENT PROCESS



BOARD

- Approves overall risk framework.
- Identifies key risks with Management.
- Regularly reviews business risks.
- Examines liability management and risks.

AUDIT AND RISK COMMITTEE

- Assists the Board in examining the effectiveness of risk management policies.
- Reviews and guides Management in the formulation of risk policies and processes.
- Ensures that a robust risk management system is maintained.

MANAGEMENT

- Reports to Audit and Risk Committee.
- Performs risk management and internal control functions.
- Maintains an internal control system which covers key strategic, financial, investment, operational and compliance risks.
- Completes a checklist verifying that adequate internal controls are in place at the end of each financial year.

MANAGING MATERIAL RISKS

a-iTrust takes a comprehensive, iterative approach in identifying, managing, monitoring and reporting material risks across the Trust. These material risks include:

Material Risk	Risk Description	Risk Mitigation
Operational risk	Operational risk encompasses risks associated with the day-to-day operations of the Trust.	Risk management measures are integrated into the day-to-day activities of the Trustee-Manager and Property Manager across all functions. These include comprehensive operating, reporting and monitoring controls put in place to manage risks arising from leasing, management and maintenance activities of the Trust. These controls are closely monitored and regularly reviewed, and improvements are made whenever necessary.
Investment risk	Investment risk arises when the Trust develops existing land within the portfolio, acquires new properties, or does not divest existing investments when it is timely to do so. Such risks encompass market risk as well as the impact of the investment on the existing portfolio.	The following measures are implemented to mitigate investment risk: • a research-driven investment approach focusing on the relevant national macroeconomic outlook, analysis of the relevant micro real estate markets (including supply and demand, vacancy and rental), and detailed asset analysis; • detailed property and technical due diligence prior to any new acquisition; • independent valuation as a guide to the purchase price; • detailed evaluation of the impact of the proposed acquisition on the portfolio income, distributable income, geographical and tenant diversification and lease expiry profile; and • review and approval of the investment by the Investment Committee and Board of Directors.
Credit risk	Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.	The Property Manager conducts financial assessments on tenants before entering into lease agreements. Tenants are required to place significant amounts of security deposits for lease and fit-out rentals. The Property Manager monitors their account receivable balances on an ongoing basis to minimise the impact of a defaulting customer on the performance of the property. Accounting provision for impairment is made when rental in arrears exceed the security deposits.
Tenant concentration risk	Tenant concentration risk arises when a single tenant or a small group of tenants contributes a disproportionate percentage of rental income to the Trust.	Tenant concentration risk is mitigated by diversifying the Trust's tenant base, which included 344 tenants as at 31 December 2019. On average, a single tenant occupied 37,400 sq ft of space. The largest tenant accounted for 8% of portfolio base rents. Collectively, the top 10 tenants contributed 36% of portfolio base rents.
Currency risk	The Trust is exposed to foreign currency risk as a result of having operations in two countries; it earns income in Indian Rupee (its functional currency), but makes distribution to Unitholders in Singapore Dollar (its reporting currency).	To mitigate the risk of large currency fluctuations in the period before income is repatriated to Singapore, the Trust enters into monthly forward contracts to hedge income that will be repatriated. The currency exposure as a result of borrowing in Singapore Dollar, Japanese Yen and Hong Kong Dollar to fund developments and/or acquisitions in India is managed through cross-currency swaps and derivatives. The Trust's policy is to hedge at least 50% of its borrowings to Indian Rupee. As at 31 December 2019, 29% of the Trust's total borrowings were exposed to currency risk as a result of its exposure to Singapore Dollar borrowings.
Interest rate risk	The Trust's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities.	The Trust enters into interest rate swaps to hedge its floating-rate borrowings into fixed-rate obligations. As at 31 December 2019, 89% of the Trust's borrowings carry fixed-rate interest.
Refinancing risk	The inability to refinance borrowings when they are due.	The Trust maintains a well-spread out debt maturity profile and has S$275 million of available revolving credit facilities as at 31 December 2019 to meet short-term refinancing requirements.
Liquidity risk	The risk that the Trust does not have sufficient cash and cash equivalents to meet its immediate business requirements.	The Trust maintains sufficient cash and cash equivalents to meet the normal operating cash requirement. In addition, the Trust regularly monitors its bank covenants for borrowings to ensure that it does not default on any borrowings.

INVESTOR RELATIONS

OVERVIEW

We value our relationships with all analysts and investors. We are committed to timely and transparent communications to keep the investment community apprised of significant developments of a-iTrust.

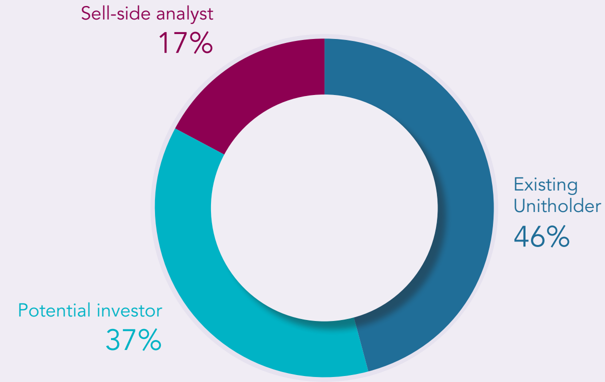
Care is exercised to ensure that we avoid selective disclosure of material information. All price-sensitive information is released to investors at the same time via the Singapore Exchange (SGX-ST) and a-iTrust's corporate website, in accordance with regulatory requirements.

We closely monitor investors' perceptions and expectations of a-iTrust and actively convey that information to our Board of Directors. Major Unitholders' views are canvassed in a detailed investor survey which is conducted by an external consultant every two years. The investor perception report is sent in its entirety to Directors to incorporate investors' views when reviewing our performance and planning our strategy.

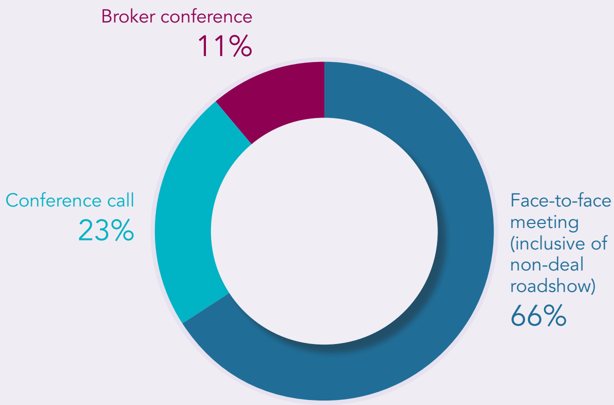
We actively engage sell-side analysts and institutional investors via face-to-face meetings and conference calls. All requests from institutional investors to meet Management are met insofar as our schedules permit. Besides quarterly earnings conference calls, we participate in local and overseas investor conferences and non-deal roadshows to meet Unitholders and potential investors. Apart from such discussions, we also conduct site visits to our properties in India for fund managers and analysts. These visits provide them with first-hand insight into the overall quality of a-iTrust's portfolio. Individual Unitholders are given the opportunity to meet and seek clarification from Directors and Management at each annual general meeting and the shareholder questions and responses are made available on our website. We focus on responding to all queries from individual Unitholders in a timely fashion.

In FY2019, we met or spoke to 227 analysts and investors. The charts show the breakdown in terms of the investor type, meeting type and location that we met them.

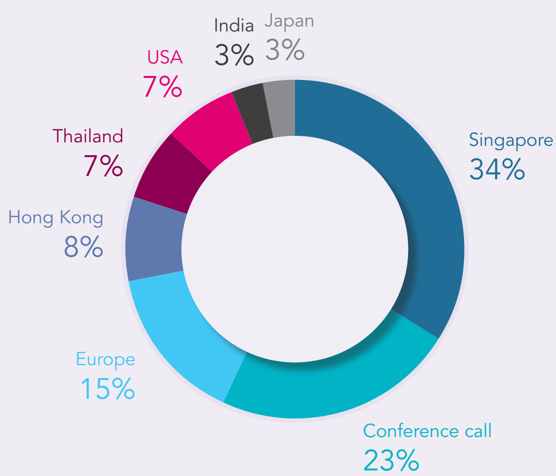
Investor type



Meeting type



Meeting location



WEBSITE

Our corporate website is constantly updated to ensure that investors can access relevant and up-to-date information about a-iTrust. All information uploaded on SGX-ST's website is made available on our website. Investors may also view webcasts of our half and full year results presentation online.

URL: **www.a-itrust.com**
Webcast: **http://ir.a-itrust.com/webcast.html**

SUPPLEMENTARY INFORMATION

An excel spreadsheet with detailed financial and operational information may be downloaded from our website. The contents include portfolio, tenant, and balance sheet data, as well as the full annual income statements in Singapore Dollar and Indian Rupee.

Go online to download the supplementary information file:
http://ir.a-itrust.com/financials.html

RESEARCH COVERAGE

Four brokerage firms cover a-iTrust as at 31 December 2019. We maintain open channels of communication to ensure that the analysts understand and are kept updated on our performance and strategy.

Brokerage firm

1 Citigroup
2 DBS Vickers
3 Jefferies
4 JP Morgan

Go online for details of analysts who cover a-iTrust:
http://ir.a-itrust.com/research.html

MEDIA

We focus on increasing a-iTrust's media exposure by ensuring all press releases are distributed to key media agencies, including print, online and broadcast medium, in Singapore and India. In addition, we maintain good relationships with media agencies and respond promptly to media requests for information or interviews.

Go online to view our press releases and announcements:
http://ir.a-itrust.com/newsroom.html

FINANCIAL CALENDAR

Month	Event
July 2020	1H FY2020 results announcement
August 2020	Distribution to Unitholders
January 2021	2H FY2020 results announcement
February 2021	Distribution to Unitholders
April 2021	Annual General Meeting

Following the recent amendments to Rule 705(2) of the Listing Manual which were effective from 7 February 2020, a-iTrust has adopted the announcement of half-yearly financial statements with effect from the financial year ending 31 December 2020 ("FY2020").

We will continue our proactive engagement with stakeholders through our various communication channels, including providing relevant business updates between the half-yearly results announcements.

Go online to view the dates of upcoming events:
http://ir.a-itrust.com/financial_calendar.html

ENQUIRIES

Unitholders with queries relating to a-iTrust or their unitholding may contact:

The Trustee-Manager

Ascendas Property Fund Trustee Pte. Ltd.
Tan Choon Siang
Chief Financial Officer
Phone: +65 6774 1033
Email: choonsiang.tan@a-itrust.com

Unit Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
Phone: +65 6536 5355
Fax: +65 6536 1360
Website: www.boardroomlimited.com

Go online to sign up for free email alerts:
http://ir.a-itrust.com/email_alerts.html

PORTFOLIO

PROPERTY	INTERNATIONAL TECH PARK BANGALORE (ITPB)	INTERNATIONAL TECH PARK CHENNAI (ITPC)
City	Bangalore	Chennai
Site area (acres)	68.3	15.0
Land tenure	Freehold	Freehold
Stake	93%[2]	89%[3]
Type	IT Park	IT Park
Floor area owned by a-iTrust ('m sq ft)	4.5	2.0
Number of buildings	11	3
Park population	49,600	21,500
Development potential of land bank ('m sq ft)	3.8[4]	–
Committed occupancy	98%	100%
Purchase price		
(₹'m)	13,670	5,533
(S$ 'm)[5]	478.5	193.7
March 2019 valuation		
(₹'m)	32,687	18,559
(S$ 'm)[6]	640.9	363.9
December 2019 valuation		
(₹'m)	37,825	19,677
(S$ 'm)[7]	717.5	373.3

1 99-year lease commencing on 12 January 2006, renewable for a further 99 year as provided in the lease deed.
2 Remaining 7.2% owned by Karnataka Industrial Area Development Board.
3 Remaining 11.0% owned by Tamil Nadu Industrial Development Corporation Limited.
4 Includes a 0.7 million sq ft multi-tenanted building currently under construction, existing development potential of 2.0 million sq ft and additional development potential of 1.1 million sq ft due to revised government regulation. Additional development potential of 1.1 million sq ft is not included in December 2019 valuation.

CYBERVALE (CV)	CYBERPEARL (CP)
Chennai	Hyderabad
18.2	6.1
99 years[1]	Freehold
100%	100%
IT Park	IT Park
0.8	0.4
3	2
14,000	4,800
0.4	–
100%	100%
2,286	2,001
49.2	70.0
3,693	3,247
72.4	63.7
4,065	3,418
77.1	64.8

5 Based on exchange rate of S$1:₹28.6 for ITPB, ITPC, ITPH and CP, S$1:₹39.4 for aVance 1 & 2, S$1:₹46.7 for aVance 3, S$1:₹46.0 for aVance 4, Lakeview and Springfield in CV, S$1:₹48.8 for the third building in CV, S$1:₹47.0 for aVance Pune and S$1:₹47.5 for Arshiya warehouses.
6 Based on exchange rate of S$1: ₹51.0.
7 Based on exchange rate of S$1: ₹52.7.

PORTFOLIO


PROPERTY	INTERNATIONAL TECH PARK HYDERABAD (ITPH)	AVANCE HYDERABAD
City	Hyderabad	Hyderabad
Site area (acres)	19.4	25.7
Land tenure	Freehold	Freehold[8]
Stake	100%	100%
Type	IT Park	IT Park
Floor area owned by a-iTrust ('m sq ft)	1.5[11]	1.5
Number of buildings	5	4
Park population	12,800	14,000
Development potential of land bank ('m sq ft)	3.5	–
Committed occupancy	98%	98%
Purchase price		
(₹'m)	5,439	6,658
(S$ 'm)[5]	190.4	150.2
March 2019 valuation		
(₹'m)	16,333	10,146
(S$ 'm)[6]	320.3	198.9
December 2019 valuation		
(₹'m)	17,778	10,848
(S$ 'm)[7]	337.2	205.8

8 aVance Hyderabad is considered a freehold property by the Trustee-Manager on the basis that it is on a 33-year lease which is renewable for further 33-year leases at the Trust's option at nominal lease rentals.
9 aVance Pune is considered a freehold property by the Trustee-Manager on the basis that it is on a 99-year lease which is renewable for further 99-year leases at the Trust's option at nominal lease rentals.
10 Arshiya warehouses are considered freehold property by the Trustee-Manager on the basis that they are on a 30-year lease which is renewable for further 30-year leases at the Trust's option at nominal lease rentals.

AVANCE PUNE	ARSHIYA WAREHOUSES
Pune	Panvel, Mumbai
5.4	24.5
Freehold[9]	Freehold[10]
100%	100%
IT Park	Warehouse
1.5	0.8
3	6
13,800	–
–	–
100%	100%[12]
6,331[13]	4,629[14]
134.8[13]	97.5[14]
8,198	4,984
160.7	97.7
9,282	5,698
176.1	108.1

11 Excludes Auriga building of 0.2 million sq ft which was demolished.
12 Master lease to Arshiya Lifestyle Limited (part of Arshiya Group) for operation and management of the warehouse for a six-year term.
13 Includes deferred consideration paid.
14 Includes deferred consideration of ₹289 million paid till June 2019. Balance of ₹711 million is payable over three years, subject to achievement of performance milestones.

OPERATIONAL REVIEW

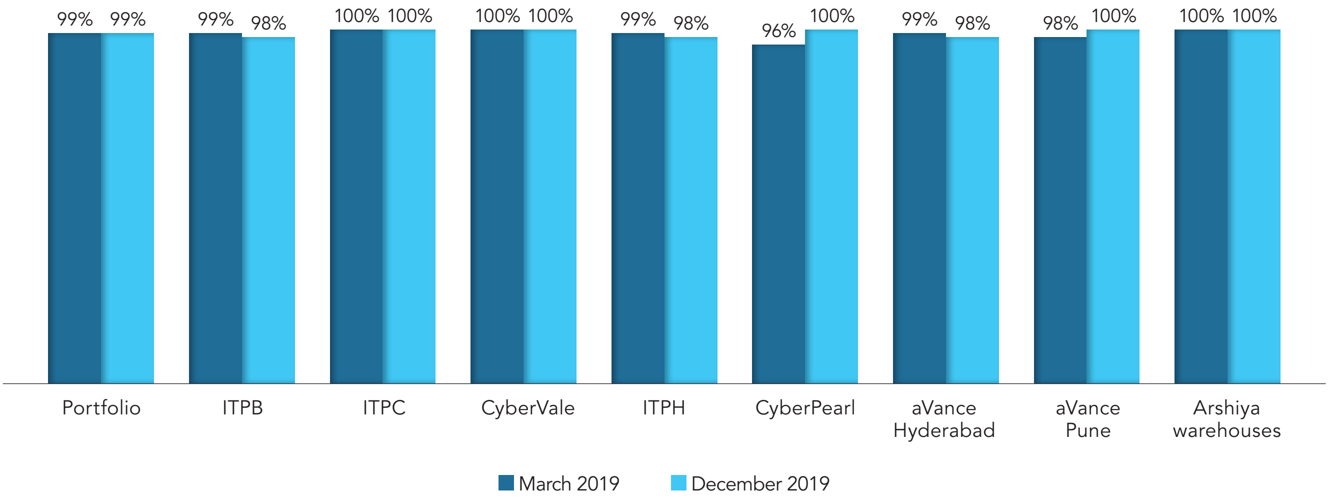
ASSET REVIEW

Leasing report

As at 31 December 2019, a-iTrust's committed portfolio occupancy remained stable at 99%. Close to 1.5 million sq ft of floor space was leased or renewed in FY2019 and we retained 63%[1] of tenants whose leases expired in CY2019.

Approximately 15%, or 2.0 million sq ft, of leases will expire in FY2020. We commence lease renewal negotiations with our tenants six months prior to the expiry of their leases to allow time to secure a replacement tenant where necessary.

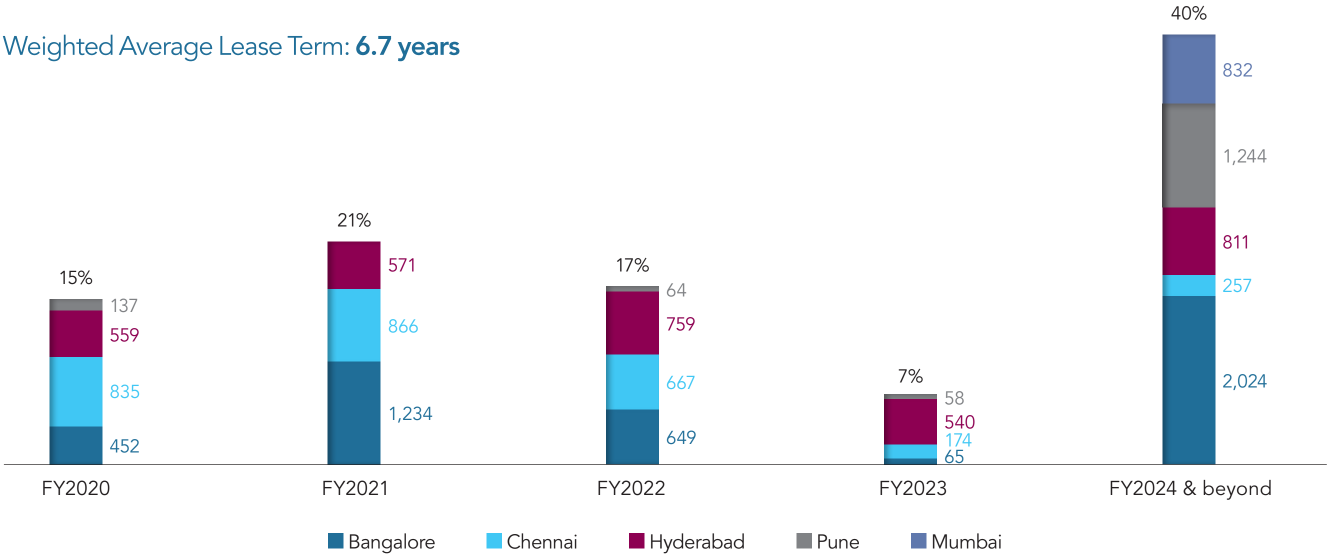
Committed Occupancy



Lease Expiry Profile

Floor area
('000 sq ft) (Percentage of portfolio)

Weighted Average Lease Term: **6.7 years**



1 Retention rate for the period from 1 January 2019 to 31 December 2019 was 63%. This excludes leases in ITPH which are affected by the redevelopment of Auriga building.

Tenant profile

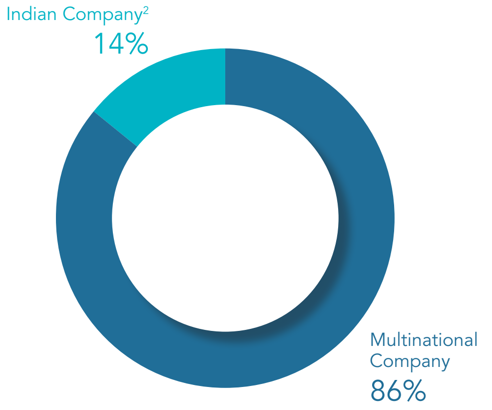
Many of our top 10 tenants are on the Fortune 500 list, and most are multinational companies with excellent credit standing.

We had in total 344 tenants as at 31 December 2019. About 86% of our tenants are multinational companies, and 57% are from the US. Indian and mainly European companies make up the rest of our portfolio.

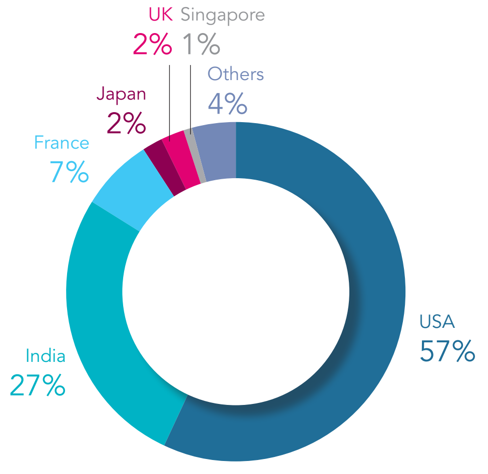
Top 10 tenants (in alphabetical order)	
1	Applied Materials
2	Arshiya
3	Bank of America
4	Mu Sigma
5	Renault Nissan
6	Societe Generale
7	Tata Consultancy Services
8	Technicolor
9	The Bank of New York Mellon
10	United Health Group

Top 5 sub-tenants of Arshiya (in alphabetical order)	
1	DHL Logistics
2	Huawei Telecommunications
3	Labdhi Manufacturing
4	Rolex Logistics (CISCO)
5	ZTE Corporation

Tenant Company Structure
(by Base Rental)



Tenant Country of Origin
(by Base Rental)

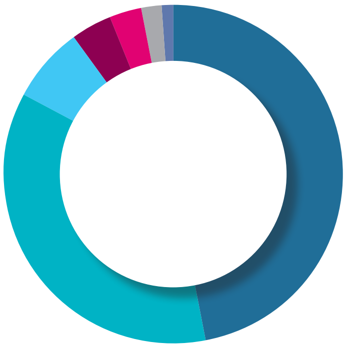


2 Comprises Indian companies with local operations only.

OPERATIONAL REVIEW

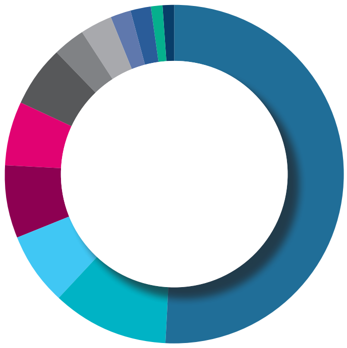
In terms of business activity, the IT and related services sector remains the largest contributor to base rental at 87%, followed by the logistics sector at 7%. Compared to 31 March 2019, the proportion of tenants undertaking mainly ITES work decreased to 4%, from 5%, while the proportion of tenants undertaking mainly IT work increased to 47%, from 44%. Since listing, we have been reducing our reliance on ITES customers as they tend to be more cost conscious and require office space with lower specifications. The segment IT/ITES refers to tenants undertaking both types of activities within their premises.

Tenant Activity
(by Base Rental)



Activity	%
IT	47
IT/ITES	36
Logistics & Warehousing	7
ITES	4
Retail & F&B	3
R&D	2
Others	1

Tenant Core Business
(by Base Rental)



Core Business	%
IT, Software & Application Development and Service Support	51
Banking & Financial Services	11
Design, Gaming and Media	7
Logistics	7
Electronics, Semiconductor & Engineering	6
Automobile	6
Healthcare & Pharmaceutical	3
Others	3
Retail	2
Telecommunication & Network	2
Oil & Gas	1
Food & Beverage	1

FINANCIAL REVIEW

FY2019 compared to FY2018/19

OVERVIEW

a-iTrust Results	FY2019 (Apr-Dec) ₹million	Dec 2018 YTD (Apr-Dec) ₹million	YOY Change[1]	FY2019 (Apr-Dec) S$ million	Dec 2018 YTD (Apr-Dec) S$ million	YOY Change[1]
Total property income	7,728	6,930	12%	150.3	134.7	12%
Total property expenses	(1,901)	(1,771)	7%	(37.0)	(34.3)	8%
Net property income	**5,827**	**5,159**	**13%**	**113.4**	**100.4**	**13%**
Finance costs	(1,849)	(1,378)	34%	(36.0)	(26.8)	34%
Interest income	1,686	1,026	64%	32.8	20.1	63%
Ordinary profit before tax	**4,829**	**3,785**	**28%**	**93.9**	**74.0**	**27%**
Distribution adjustments	(948)	(450)	110%	(18.4)	(9.0)	104%
Income available for distribution	**3,881**	**3,334**	**16%**	**75.5**	**64.9**	**16%**
Income to be distributed	**3,493**	**3,001**	**16%**	**67.9**	**58.4**	**16%**

Exchange Rate Movement	FY2019 (Apr-Dec)	Dec 2018 YTD (Apr-Dec)	YOY Change[1]
Average SGD/INR exchange rate	51.4	51.3	0.2%[2]

TOTAL PROPERTY INCOME

a-iTrust Results	FY2019 (Apr-Dec) ₹million	Dec 2018 YTD (Apr-Dec) ₹million	YOY Change[1]	FY2019 (Apr-Dec) S$ million	Dec 2018 YTD (Apr-Dec) S$ million	YOY Change[1]
Base rent	5,675	5,168	10%	110.4	100.5	10%
Amenities income	82	85	(4%)	1.6	1.7	(5%)
Fit-out rental income	115	56	104%	2.2	1.1	103%
Operations, maintenance and utilities income	1,513	1,347	12%	29.4	26.2	12%
Car park and other operating income	344	273	26%	6.7	5.3	26%
Total property income	**7,728**	**6,930**	**12%**	**150.3**	**134.7**	**12%**

Total property income for FY2019 increased by 12% (₹798 million) to ₹7,728 million. This was mainly due to:

- income from Anchor building at ITPB, which was completed in May 2019;
- incremental income from aVance Pune, which was leased out in phases after it was acquired in February 2017; and
- positive rental reversions.

In Singapore Dollar terms, total property income increased by 12% (S$15.6 million) to S$150.3 million.

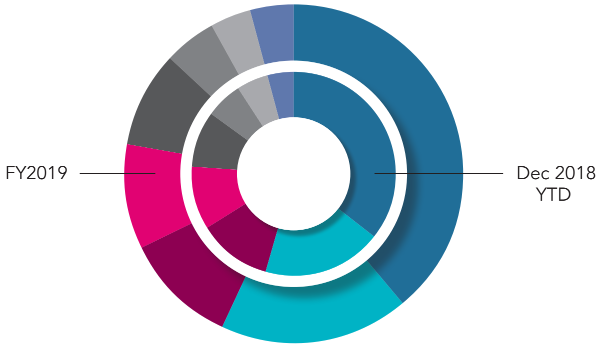
The Singapore Dollar appreciated by about 0.2% against the Indian Rupee over the same period last year.

1 Due to a change in financial year end from March to December as announced on 19 July 2019, FY2019 is compared against the corresponding nine-month period from 1 April 2018 to 31 December 2018 ("Dec 2018 YTD").

2 The Singapore Dollar appreciated by 0.2% against the Indian Rupee.

FINANCIAL REVIEW

Total Property Income



Property (₹ million)	FY2019 (Apr-Dec)		Dec 2018 YTD (Apr-Dec)	
ITPB	3,035	39%	2,514	36%
ITPC	1,363	18%	1,291	19%
ITPH	866	11%	832	12%
aVance Hyderabad	746	10%	727	10%
aVance Pune	706	9%	593	8%
Arshiya warehouses	414	5%	394	6%
CyberVale	319	4%	316	5%
CyberPearl	279	4%	263	4%
Total	**7,728**	**100%**	**6,930**	**100%**

TOTAL PROPERTY EXPENSES

a-iTrust Results	FY2019 (Apr-Dec) ₹ million	Dec 2018 YTD (Apr-Dec) ₹ million	YOY Change[1]	FY2019 (Apr-Dec) S$ million	Dec 2018 YTD (Apr-Dec) S$ million	YOY Change[1]
Operations, maintenance and utilities expenses	(967)	(834)	16%	(18.8)	(16.2)	16%
Service and property taxes	(193)	(196)	(1%)	(3.8)	(3.8)	(1%)
Property management fees	(361)	(348)	4%	(7.0)	(6.8)	4%
Other property operating expenses	(379)	(394)	(4%)	(7.4)	(7.6)	(3%)
Total property expenses	**(1,901)**	**(1,771)**	**7%**	**(37.0)**	**(34.3)**	**8%**

Total property expenses increased by 7% (₹130 million) to ₹1,901 million mainly due to higher operation and maintenance expenses across all properties, absence of 2Q FY18/19's one-off gain from the scrap sale of the Dedicated Power Plant in ITPB, partially offset by 2Q FY18/19's one-off expense provision for water supply and sanitary connection charges in ITPB that had increased the cost base in prior year.

In Singapore Dollar terms, total property expenses increased by 8% (S$2.7 million) to S$37.0 million.

NET PROPERTY INCOME

Net property income grew by 13% (₹668 million) to ₹5,827 million, due to the above factors. In Singapore Dollar terms, net property income grew by 13% (S$13.0 million) to S$113.4 million.

Net Property Income

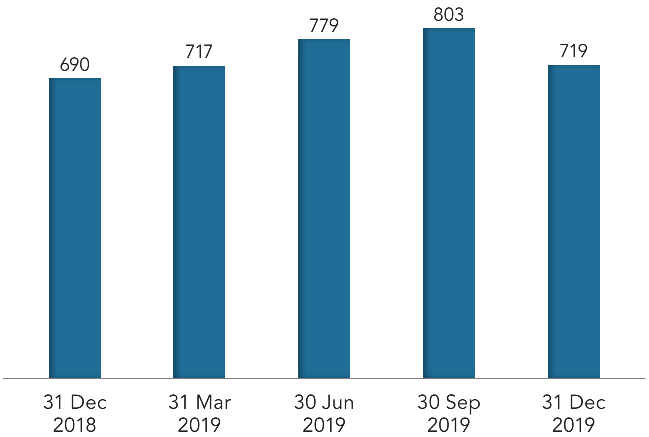
Property (₹ million)	FY2019 (Apr-Dec)		Dec 2018 YTD (Apr-Dec)	
ITPB	2,150	37%	1,621	31%
ITPC	1,025	18%	1,014	20%
ITPH	661	11%	675	13%
aVance Hyderabad	606	11%	607	12%
aVance Pune	545	9%	424	8%
Arshiya warehouses	406	7%	390	8%
CyberVale	237	4%	231	4%
CyberPearl	197	3%	197	4%
Total	**5,827**	**100%**	**5,159**	**100%**

FINANCE COSTS

Finance costs increased by 34% (₹471 million) to ₹1,849 million mainly due to an increase in borrowings in FY2019. These additional loans were taken for the construction funding for Arshiya, AURUM IT SEZ, aVance 5 & 6, aVance A1 & A2 and BlueRidge 3. In Singapore Dollar terms, finance costs increased by 34% (S$9.2 million) to S$36.0 million.

Effective borrowings as at 31 December 2019 increased from S$717 million as at 31 March 2019 to S$719 million as net proceeds from the private placement in November 2019 were used to repay some short-term revolver loans in the interim.

Effective borrowings[3]
(S$ million)



INTEREST INCOME

Interest income increased by 64% (₹660million) to ₹1,686 million, mainly from interest income pertaining to construction funding for Arshiya, AURUM IT SEZ, aVance 5 & 6, aVance A1 & A2 and BlueRidge 3.

In Singapore Dollar terms, interest income increased by 63% (S$12.7 million) to S$32.8 million.

INCOME AVAILABLE FOR DISTRIBUTION

After accounting for distribution adjustments, income available for distribution for FY2019 grew by 16% (₹547 million) to ₹3,881 million. In Singapore Dollar terms, income available for distribution increased by 16% (S$10.6 million) to S$75.5 million.

INCOME TO BE DISTRIBUTED

a-iTrust's distribution policy is to distribute at least 90% of its income available for distribution. The remaining 10% is retained to provide greater flexibility in growing the Trust. Post retention, income to be distributed for FY2019 grew by 16% (₹492 million) to ₹3,493 million. In Singapore Dollar terms, income to be distributed increased by 16% (S$9.5 million) to S$67.9 million. This translates to a DPU of 6.45 Singapore cents, which is a 15% increase compared to the DPU of 5.63 Singapore cents for the nine-month period ended December 2018.

For FY2019, due to a change in financial year end from 31 March to 31 December as announced on 19 July 2019, a-iTrust has made distributions to unitholders for the six-month period ending 30 September 2019 and three-month period ending 31 December 2019. Due to the private placement of new units on 28 November 2019, an advance distribution for the period from 1 October 2019 to 27 November 2019 amounting to 1.48 Singapore cents were paid on 24 December 2019. In the previous financial years, distributions to Unitholders were on a half-yearly basis for every six-month period ending 30 September and 31 March.

Financial Year	Period	Payment Date	DPU (S¢)	Full Year DPU (S¢)
FY2019	28 Nov 2019 – 31 Dec 2019	27 Feb 2020	0.64	
	1 Oct 2019 – 27 Nov 2019	24 Dec 2019	1.48	6.45
	1 Apr 2019 – 30 Sep 2019	22 Nov 2019	4.33	
FY18/19	1 Oct 2018 – 31 Mar 2019	27 May 2019	3.75	7.33
	1 Apr 2018 – 30 Sep 2018	26 Nov 2018	3.58	

3 Calculated by adding/deducting derivative financial instrument liabilities/(assets) to/from gross borrowings, including deferred consideration.

FINANCIAL REVIEW

VALUATION AND NET ASSET VALUE

As at 31 December 2019, a-iTrust's properties were valued at ₹108,591 million by Savills Property Services (India) Pvt. Ltd., which was approximately 11% (₹10,744 million) higher than the valuation of ₹97,847 million as at 31 March 2019. In Singapore Dollar terms, portfolio valuation grew by 7% (S$142.2 million) to S$2,060.0 million. The increase was mainly due to annual fair value revaluation of investment properties and development additions such as MTB 5 in ITPB and Phase I redevelopment at ITPH. In FY2019, a-iTrust recognised fair value gain on investment properties of ₹8,978 million (S$174.0 million). Revaluation gains are non-cash in nature and do not have an impact on income available for distribution.

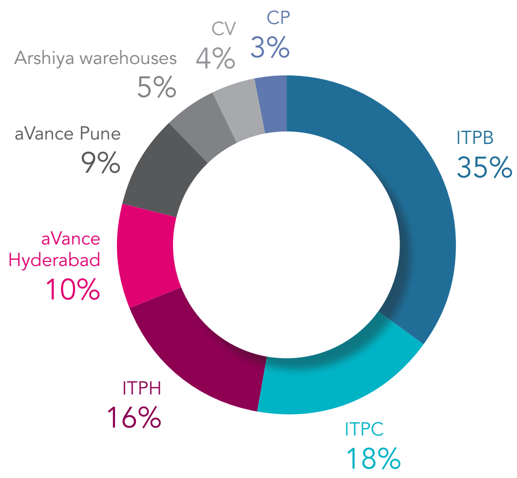
Net asset value (NAV) per unit as at 31 December 2019 increased by 7% to S$1.09 as compared to S$1.02 as at 31 March 2019. Excluding deferred tax liabilities arising from fair value adjustments on properties, the adjusted NAV per unit was S$1.38.

Valuation of Properties

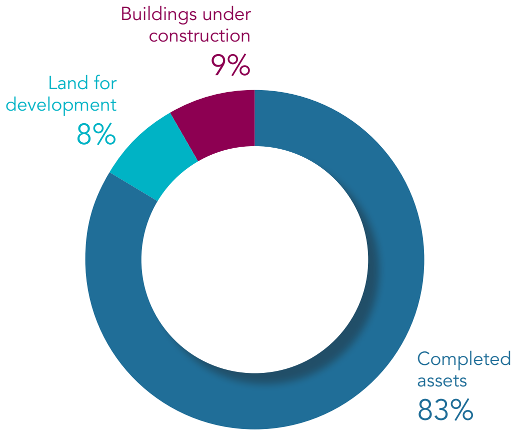
Property (₹ million)	31 Dec 2019 Valuation	31 Mar 2019 Valuation	Change
International Tech Park Bangalore	37,825	32,687	16%
International Tech Park Chennai	19,677	18,559	6%
CyberVale	4,065	3,693	10%
CyberPearl	3,418	3,247	5%
International Tech Park Hyderabad	17,778	16,333	9%
aVance Hyderabad	10,848	10,146	7%
aVance Pune	9,282	8,198	13%
Arshiya warehouses	5,698	4,984	14%
Portfolio (in ₹ million)	**108,591**	**97,847**	**11%**
Portfolio (in S$ million)	**2,060.0[4]**	**1,917.8[5]**	**7%**

For more details on the valuation, go to page 211.

Portfolio Valuation by Property



Portfolio Valuation by Type



4 Based on the exchange rate of S$1: ₹52.7.
5 Based on the exchange rate of S$1: ₹51.0.

CASH FLOWS AND LIQUIDITY

Operating Activities

Net cash generated from operating activities for the nine-month period ended December 2019 was S$101.9 million. For the 12-month period ended March 2019, net cash generated from operating activities amounted to S$148.6 million.

Investing Activities

During the nine-month period ended December 2019, S$20.0 million was invested to fund the development of MTB 5 in ITPB and Phase I redevelopment at ITPH. An additional S$7.3 million worth of capital expenditure was spent on upgrading and maintaining existing properties.

In terms of third party investments, S$106.6 million was invested towards construction funding for Arshiya, AURUM IT SEZ, aVance 5 & 6, aVance A1 & A2 and BlueRidge 3. This would allow a-iTrust to fund the development and subsequent acquisition of nine buildings totalling 7.5 million sq ft. In addition, S$5.1 million was also paid in FY2019 as deferred consideration towards earlier investments in aVance Pune and Arshiya warehouses.

In the previous financial year, S$20.1 million was invested to fund the development of Anchor building and MTB 5 in ITPB, and Phase I redevelopment at ITPH. An additional S$20.7 million of capital expenditure was invested to refurbish existing properties.

Financing Activities

During the nine-month period ended December 2019, a-iTrust raised loans of S$311.6 million and gross proceeds of S$150.0 million from a private placement. Of the total funds raised, S$299.6 million went towards the refinancing of existing loans, with the remaining being invested towards construction funding for Arshiya, AURUM IT SEZ, aVance 5 & 6, aVance A1 & A2 and BlueRidge 3.

SENSITIVITY ANALYSIS

Interest Rate Risk

As at 31 December 2019, 89% of a-iTrust's total borrowings are on fixed-rate basis, which significantly reduces interest rate volatility. Income available for distribution is not materially impacted by changes in market interest rates and consequently interest rate risk is low.

Foreign Exchange Risk

In terms of operating cash flows, which are denominated substantially in Indian Rupees, an estimated 10% appreciation or depreciation of the Indian Rupee would result in a corresponding 7% increase or decrease in a-iTrust's income available for distribution.

Capital Risk

a-iTrust has a gearing ratio of 28% as at 31 December 2019. A 10% increase or decrease in portfolio valuation would reduce the gearing to 26% or increase the gearing to 30% respectively.

QUARTERLY RESULTS

	₹ million			S$ million		
	FY2019[1]	FY18/19[1]	YOY Change	FY2019[1]	FY18/19[1]	YOY Change
Total property income						
Quarter 1 (Apr - Jun)	2,523	2,254	12%	49.2	44.9	10%
Quarter 2 (Jul - Sep)	2,552	2,315	10%	49.6	44.9	11%
Quarter 3 (Oct - Dec)	2,653	2,361	12%	51.5	44.9	15%
Quarter 4 (Jan - Mar)	N.A.[2]	2,459	N.A.	N.A.	47.2	N.A.
9-months ended December	**7,728**	**6,930**	**12%**	**150.3**	**134.7**	**12%**
Full Year	**7,728**	**9,389**	**N.M.[3]**	**150.3**	**182.0**	**N.M.**
Net property income						
Quarter 1 (Apr - Jun)	1,935	1,684	15%	37.8	33.6	13%
Quarter 2 (Jul - Sep)	2,007	1,695	18%	39.0	32.9	18%
Quarter 3 (Oct - Dec)	1,886	1,779	6%	36.6	33.9	8%
Quarter 4 (Jan - Mar)	N.A.	1,840	N.A.	N.A.	35.3	N.A.
9-months ended December	**5,827**	**5,159**	**13%**	**113.4**	**100.4**	**13%**
Full Year	**5,827**	**6,999**	**N.M.**	**113.4**	**135.7**	**N.M.**
Income available for distribution						
Quarter 1 (Apr - Jun)	1,215	925	31%	23.7	18.4	29%
Quarter 2 (Jul - Sep)	1,360	1,170	16%	26.4	22.9	16%
Quarter 3 (Oct - Dec)	1,306	1,239	5%	25.4	23.6	7%
Quarter 4 (Jan - Mar)	N.A.	1,023	N.A.	N.A.	19.6	N.A.
9-months ended December	**3,881**	**3,334**	**16%**	**75.5**	**64.9**	**16%**
Full Year	**3,881**	**4,357**	**N.M.**	**75.5**	**84.5**	**N.M.**
Income to be distributed						
Quarter 1 (Apr - Jun)	1,094	833	31%	21.3	16.6	29%
Quarter 2 (Jul - Sep)	1,224	1,053	16%	23.8	20.6	16%
Quarter 3 (Oct - Dec)	1,176	1,115	5%	22.8	21.2	7%
Quarter 4 (Jan - Mar)	N.A.	920	N.A.	N.A.	17.7	N.A.
9-months ended December	**3,493**	**3,001**	**16%**	**67.9**	**58.4**	**16%**
Full Year	**3,493**	**3,921**	**N.M.**	**67.9**	**76.1**	**N.M.**

	₹			S¢		
Income to be distributed (DPU)[4]	FY2019[1]	FY18/19[1]	YOY Change	FY2019[1]	FY18/19[1]	YOY Change
Quarter 1 (Apr - Jun)	1.05	0.80	31%	2.05	1.60	28%
Quarter 2 (Jul - Sep)	1.17	1.02	16%	2.28	1.98	15%
Quarter 3 (Oct - Dec)	1.09	1.07	2%	2.12	2.05	4%
Quarter 4 (Jan - Mar)	N.A.	0.89	N.A.	N.A.	1.70	N.A.
9-months ended December	**3.32**	**2.89**	**15%**	**6.45**	**5.63**	**15%**
Full Year	**3.32**	**3.78**	**N.M.**	**6.45**	**7.33**	**N.M.**

1 a-iTrust's financial year end was changed from 31 March to 31 December as announced on 19 July 2019. FY2019 refers to the nine-month period from 1 April 2019 to 31 December 2019. FY18/19 refers to the 12-month period from 1 April 2018 to 31 March 2019. Hence, full year FY2019 figures are not comparable to full year FY18/19 figures.
2 N.A. - Not applicable due to change in financial year end.
3 N.M. - Not meaningful.
4 Refers to distribution per unit post retention of 10% income.

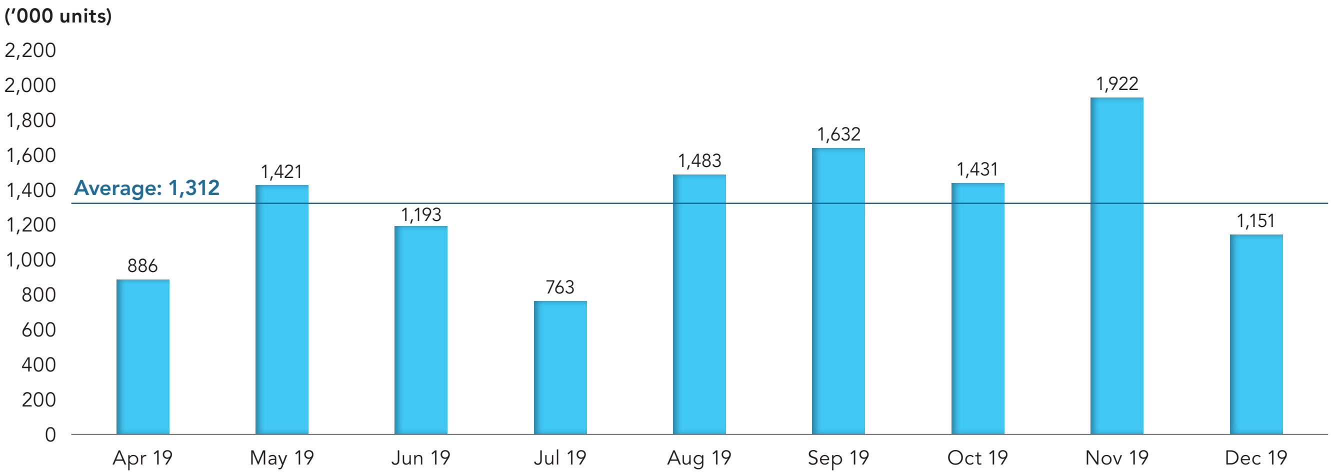
UNIT PRICE REVIEW

UNIT PRICE AND VOLUME

a-iTrust Unit Price (1 April 2019 to 31 December 2019)

Period open | S$1.19 **Period close** | S$1.55 **Period high** | S$1.71 **Period low** | S$1.15

AVERAGE MONTHLY TRADING VOLUME



a-iTrust's total trading volume from April 2019 to December 2019 reached approximately 246.7 million Units.

Go online to download a-iTrust's historical trading price and volume data:
http://ir.a-itrust.com/historical_price.html

SUSTAINABILITY REPORT

BOARD STATEMENT

Ascendas India Trust ("a-iTrust" or "the Trust") is committed to sustainability and incorporates the key principles of Environment, Social and Governance (ESG) in setting out its business strategies and operations.

The Board of the Trustee-Manager sets a-iTrust's risk appetite, which determines the nature and extent of material risks that a-iTrust is willing to take to achieve its strategic and business objectives. The risk appetite incorporates ESG factors such as fraud, corruption and bribery, environment, health and safety. The Board considers sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitoring of the material ESG factors.

The Board also approves the executive compensation framework based on the principle of linking pay to performance. a-iTrust's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices, and are cascaded throughout the organisation.

ABOUT THE REPORT

a-iTrust is pleased to present its fourth annual Sustainability Report. This report provides an update of a-iTrust's sustainability strategies, goals, initiatives, and progress on material ESG matters, reflecting the Trust's firm commitment and continued efforts to deliver sustainable value to its stakeholders.

REPORTING SCOPE

With effect from 1 April 2019, a-iTrust's financial year end was changed from 31 March to 31 December. This report covers a-iTrust's sustainability performance for the nine-month period from 1 April 2019 to 31 December 2019 ("FY2019"), with relevant prior data for the comparable period between 1 April 2018 to 31 December 2018 where available. The scope of this report covers a-iTrust's portfolio[1], comprising the seven IT parks listed in Figure 1.

Figure 1: Portfolio in Reporting Scope for FY2019

City	Portfolio
Hyderabad	International Tech Park Hyderabad (ITPH)
	CyberPearl
	aVance Hyderabad
Bangalore	International Tech Park Bangalore (ITPB)
Chennai	International Tech Park Chennai (ITPC)
	CyberVale
Pune	aVance Pune

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option and the GRI Construction and Real Estate Sector Supplement ("CRESS"), and applies the GRI Reporting Principles for Report Content and Report Quality. The GRI framework was selected because it represents global best practices for sustainability reporting. With its standardised approach to report on significant ESG matters, it encourages consistency in reporting to all stakeholders.

This report is published in accordance with the Singapore Exchange (SGX) Sustainability Reporting requirements set out in Listing Rule 711A and 711B. Reference has also been made to the SGX Sustainability Reporting Guide of Practice Note 7.6.

ASSURANCE

External assurance has not been sought for this report. a-iTrust may consider external assurance as the sustainability reporting process matures over time.

1 The report excludes the six operating warehouses at Arshiya Free Trade Warehousing Zone in Panvel, as the Trust does not have operational control of the facilities.

STAKEHOLDER ENGAGEMENT

The Trustee-Manager and Property Manager (the "Managers") actively seek to build positive and long-lasting relationships with all stakeholders. The influence and interest of all stakeholders are taken into account when considering material ESG issues. To better understand the issues that concern them, the Managers regularly engage with all key stakeholders. Figure 2 provides a representation of a-iTrust's key stakeholder groups, their expectations and the avenues through which the Trust engages them.

Figure 2: Stakeholder engagement

Key Stakeholder Groups	Needs and Expectations of Stakeholder Groups	Key Engagement Modes	Frequency	Actions and Goals
Investment Community	• Strategic and sustainable growth, total returns • Timely and transparent communications and updates	• a-iTrust website • Annual General Meeting • Annual Report & Sustainability Report • Investor perception survey • Meetings and conference calls • Non-deal roadshows	Throughout the year Annually Annually Biennially Throughout the year Regularly	The Trustee-Manager aims to provide timely and transparent communications to keep the investment community apprised of significant topics relating to corporate developments, portfolio performance, asset and capital management, acquisitions and divestments.
Employees	• Active engagement • Career progression, job security and stability • Competitive remuneration, employee benefits • Learning and development opportunities • Workplace safety, health and wellness	• Employee townhalls • Employee survey • Induction programmes • Internal communication through Intranet portal • Performance appraisals • Training and workshops • Wellness, sports and social activities	Throughout the year Annually Regularly Regularly Throughout the year Regularly Regularly	The Managers strive to create a cohesive and healthy workplace based on trust, mutual respect and active communication. With that, great emphasis is placed on employee empowerment and equal opportunity for all. The Human Resource (HR) team continuously reviews employment practices and engagement methods to improve the welfare and team culture.
Tenants	• Competitive rental rates • Quality of facilities • Safety and security practices	• Active communication • Networking events • Tenant engagement activities	Throughout the year Throughout the year Throughout the year	The Managers are committed to providing premium quality solutions of business infrastructure and services to meet the needs of tenants. In addition, securing properties from threats and ensuring the health and hygiene of tenants and visitors is of paramount importance.
Local Communities	• Creation of employment opportunities • Operate in a responsible manner • Support social development and community activities	• Corporate social responsibility ("CSR") activities through "CapitaLand Hope Foundation" • Participation in social and community programmes	Ad hoc Ad hoc	The Managers advocate the spirit of caring and sharing for the communities they operate in. Carefully managing and minimising the societal and environmental impacts of its operations is critical in fulfilling its duties as a responsible corporate citizen.

MATERIALITY ASSESSMENT

Materiality assessment is a core part of the Trustee-Manager's strategy in identifying the sustainability matters that have significant impact on the Trust. A thorough materiality assessment was conducted in FY16/17[2] to study and identify material sustainability matters from a comprehensive list of ESG matters. These material sustainability matters are reviewed on an annual basis to ensure their continued relevance to the Trust.

Figure 3: Materiality Assessment Process

FY16/17 MATERIALITY ASSESSMENT

The Trustee-Manager determined a-iTrust's material sustainability matters through:

- **Identification of potential material ESG matters** based on regular interaction with stakeholders, peer reviews and assessment of internal and external factors.
- **Prioritisation of material ESG matters** through a formal materiality assessment exercise. Guided by an independent organisation, potential ESG matters were scored based on the perceived importance of these matters to stakeholders.
- **Validation of material ESG matters by the Board.** A total of six material ESG factors and three additional sustainability matters were validated for reporting.

FY17/18 REVIEW

In FY17/18, the Trustee-Manager has reviewed the Materiality Matrix based on the GRI Reporting Principles. An additional sustainability matter, "Water Management", has been included for reporting. In total, six material ESG factors and four additional sustainability reporting matters were validated by the Board.

FY18/19 REVIEW

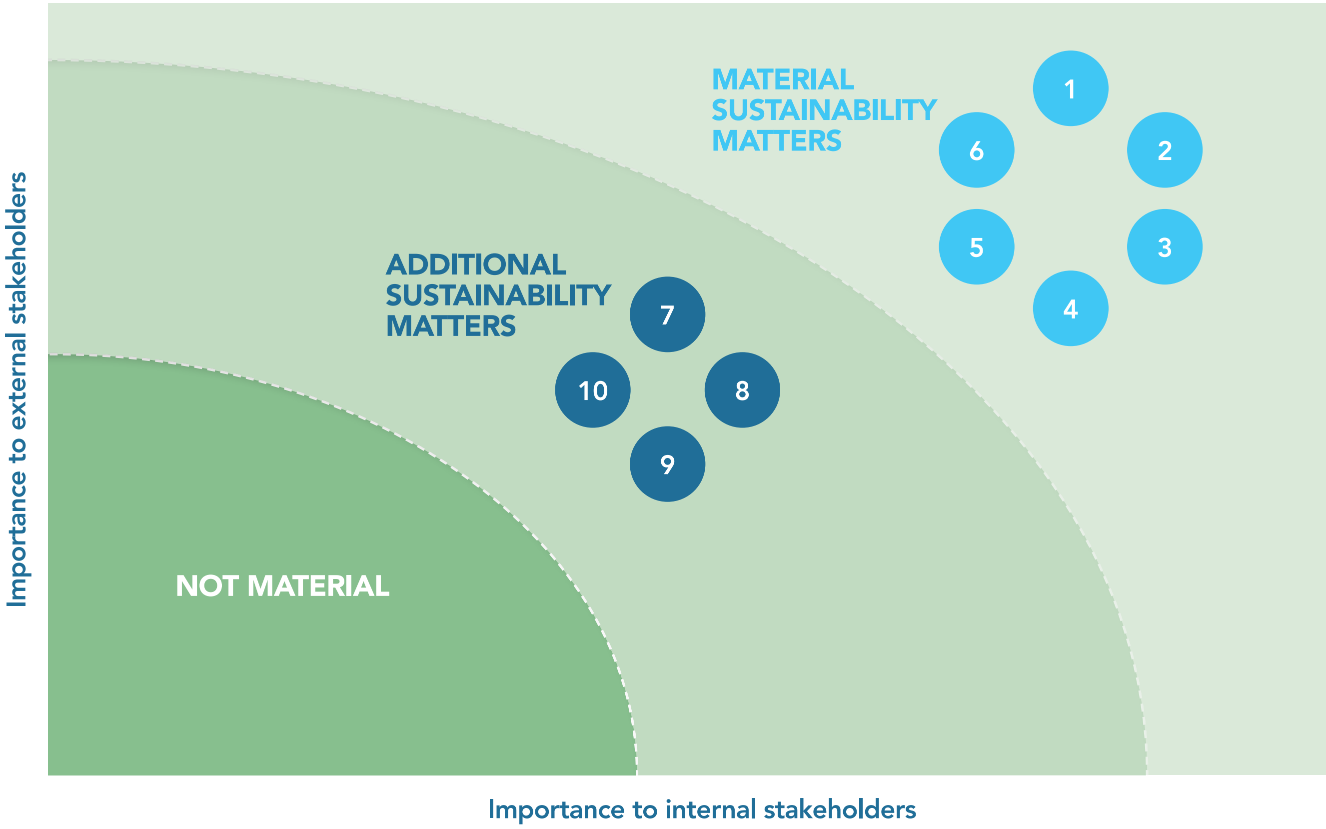
In FY18/19, all six material ESG factors and four additional sustainability reporting matters were reviewed by the Trustee-Manager and reaffirmed by the Board.

FY2019 REVIEW

The Trustee-Manager has conducted another review of material ESG matters in FY2019 to ensure that all 10 material ESG matters are still relevant across the Trust's operations. These topics will be reviewed again in the subsequent reports to ensure their continued relevance to the Trust.

2 FY16/17 refers to the 12-month period from 1 April 2016 to 31 March 2017.

Figure 4: a-iTrust's Materiality Matrix



No.		ESG Matters
1	G	High Standards of Corporate Governance
2	G	Business Ethics and Employee Conduct
3	G	Regulatory Compliance
4	S	Stakeholder Communications
5	S	Security of Business Parks and Properties
6	S	Premium Quality Solutions
7	E	Reducing Energy and Carbon Footprint
8	S	Fair Employment Practices
9	S	Health, Hygiene and Safety of General Public and Adjacent Communities
10	E	Water Management

GOVERNANCE AND ETHICS

Corporate Governance and Business Ethics

The Trust firmly believes that sound corporate governance is essential in delivering sustainable value to its stakeholders and is committed to the highest standards of corporate governance and transparency in its policies and processes. As a CapitaLand-sponsored Business Trust, the Trust adheres to a comprehensive and robust corporate governance framework. This framework, which is in accordance to the revised Code of Corporate Governance 2018, guides the Trust's evaluation of its strategies, policies and practices.

The Group adopts a strict zero-tolerance stance towards fraud, bribery and corruption ("FBC"). The FBC Risk Management Policy, together with the Ethics and Code of Business Conduct policies, provide standards for the ethical conduct of business. All employees are expected to adhere to a comprehensive set of policies and guidelines relating to business ethics and work discipline as described in Figure 5. These policies are communicated to all new and existing employees. To help employees comply, an FBC guide is made available to all employees via CapitaLand's intranet, iHub, and all employees are required to undertake a quiz on FBC policies and procedures. Where applicable, training is organised for employees to familiarise themselves with the policies.

Figure 5: Policies and practices relating to Governance at a-iTrust

Fraud, Bribery and Corruption Risk Management Policy	Anti-Money Laundering and Countering Terrorism Financing Policy	Ethics and Code of Business Conduct Policies	Whistleblowing
Provides anti-fraud, bribery and corruption standards to better manage FBC risks	Provides guidance on Know-Your-Customer due diligence, to detect, deter and deal with incidents of money laundering, financing of terrorism and other suspicious activities	A series of HR policies that spell out the conduct and work discipline expected of all staff. One of the key policies include guidance on corporate gifts and concessionary offers	Allows employees and external parties to highlight any misdeeds or improprieties committed by employees to the Audit and Risk Committee

For more details on a-iTrust's corporate governance practices, please refer to pages 88 – 120.

In FY2019, there were no reported incidents of breaches or lapses to business ethics and employee conduct.

Focus Area	Perpetual Targets	FY2019 Performance
Breaches or lapses of business ethics and employee conduct	0 reported breaches or lapses	✓ 0 reported breaches or lapses

Regulatory Compliance

The Trust recognises the importance of complying with all applicable laws and regulations. Any breach in compliance may result in damage of reputation, financial penalties and potential revocation of licenses. The laws that apply to the Trust include the Prevention of Corruption Act, Chapter 241 of the Singapore Statutes, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010 and the Prevention of Corruption Act,1988 in India.

The Managers work closely with the dedicated Compliance and Legal function of the Group to oversee the implementation of corporate governance and regulatory compliance matters. The Managers are constantly updated with the latest applicable guidelines to ensure that all employees are kept abreast of the best practices and principles. In FY2019, there were no breaches or lapses of corporate best practices and there were no confirmed cases of non-compliance with applicable laws and regulations.

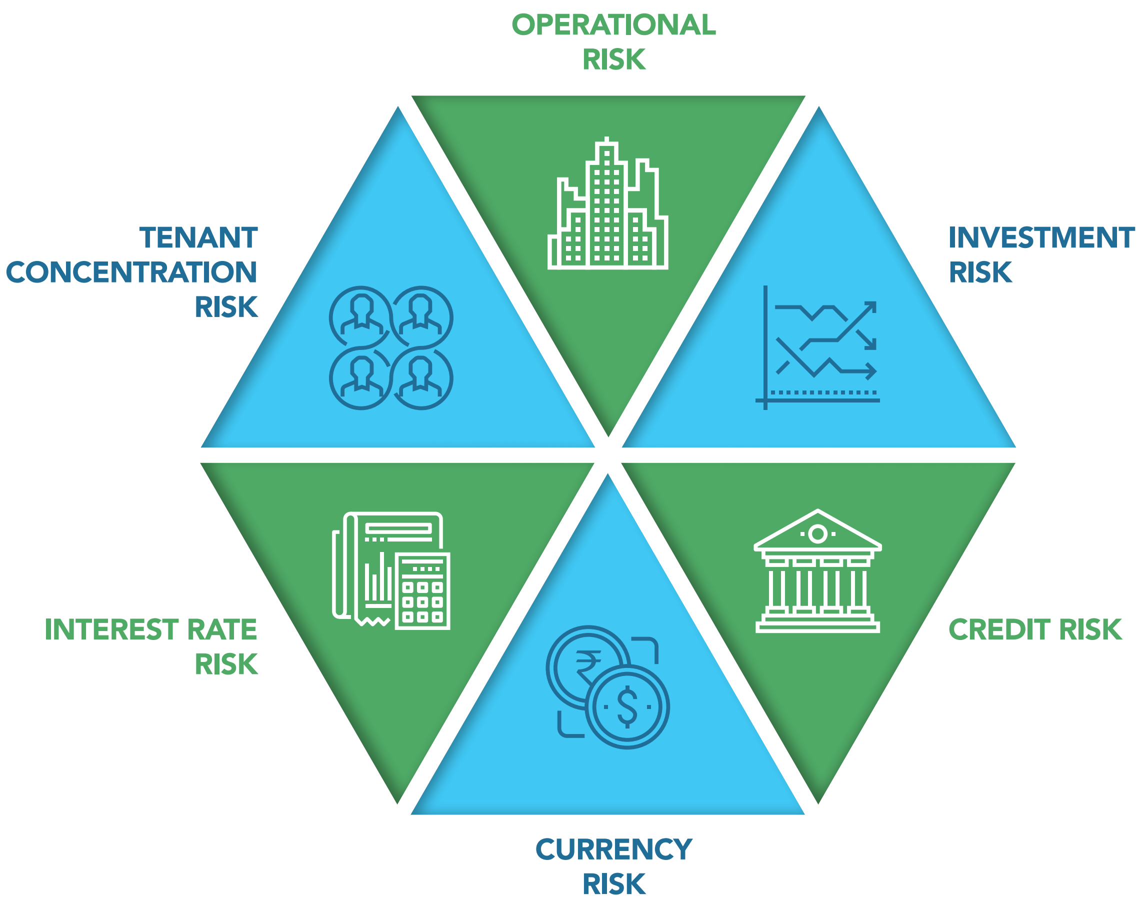
Focus Area	Perpetual Targets	FY2019 Performance
Breaches or lapses of corporate governance best practices and principles	0 reported breaches or lapses	0 reported breaches or lapses
Compliance to applicable laws and regulations	100% compliance	100% compliance

Enterprise Risk Management

The Trustee-Manager has established a consistent Enterprise Risk Management ("ERM") process that anticipates and identifies material risks and implements key controls to mitigate those risks. In light of the constantly evolving operating and regulatory environment, these key risks are regularly monitored, assessed and realigned. Supported by the Audit and Risk Committee, the Board oversees risk management and determines the risk appetite of a-iTrust in line with its strategy and business plans. Material ESG findings are reported on a quarterly basis or as necessary, and recommendations are made to manage or mitigate such risks. A summary of key risks faced by the Trust can be observed in Figure 6 below.

For more details on ERM, please refer to pages 42 – 43.

Figure 6: Key risks faced by the Trust



PROPERTY

Premium Quality Solutions

Awards and Certifications
The Managers are strong proponents of the use of innovative design and industry best practices to enhance the sustainability performance of the buildings that they manage. These include the use of smart technologies that are able to monitor resource use in real time and provide the appropriate adjustments to improve the buildings' environmental performance. These innovations allow the Managers to reduce the operational costs and carbon footprint associated with the buildings, translating to material financial benefits for the Trust in the long run.

The Trust is aligned with CapitaLand Group's overall green building rating targets of achieving green certifications for all new and existing high-value buildings in its portfolio by 2030. These green certifications validate the Trust's efforts in aligning its portfolio with industrial best practices that are environmentally responsible and resource-efficient, serving as a mark of its commitments to its stakeholders. With respect to this goal, the primary certifications relevant to the Trust's properties in India are the U.S. Green Building Council ("USGBC") Leadership in Energy and Environmental Design[3] ("LEED") and Indian Green Building Council ("IGBC") certification. Building projects must satisfy prerequisites and accumulate points to achieve different levels of certifications.

Over the years, a-iTrust is proud to be recognised for its contributions to reduce its environmental footprint. As a testament to the Trust's ongoing efforts, Figure 7 provides an overview of the certifications and awards that have been accredited to the Trust's buildings.

Figure 7: Sustainability certifications

City	Property	Building	Award
Bangalore	International Tech Park Bangalore	Anchor	IGBC[4] Platinum
		Aviator	IGBC Platinum
		Creator	USGBC LEED Gold
		Discoverer	USGBC LEED Gold
		Explorer	IGBC Gold
		Innovator	USGBC LEED Gold
		Inventor	IGBC Gold
		Navigator	IGBC Gold
		Victor	USGBC LEED Platinum
		Voyager	IGBC Silver
Chennai	International Tech Park Chennai	Crest	USGBC LEED Gold
		Pinnacle	USGBC LEED Gold
		Zenith	USGBC LEED Platinum
	CyberVale	Lakeview	USGBC LEED Gold
		Building 3	USGBC LEED Gold
		Springfield	USGBC LEED Gold
Hyderabad	International Tech Park Hyderabad	Atria	USGBC LEED Gold
		Vega	USGBC LEED Platinum
	CyberPearl	Block A	IGBC Gold
		Block B	IGBC Gold
Pune	aVance Pune	Buildings 1-3	IGBC Silver

3 LEED is a green building certification programme that recognises best-in-class building strategies and practices.
4 Indian Green Building Council

The Trust is in the process of renewing the green certifications for properties with expired certifications. Moving forward, the Trust will continue to work towards the target of achieving green ratings for all high-value buildings within its portfolio by 2022.

Focus Area	Targets	FY2019 Performance
Green Building Certifications	1. Attain minimum "Green" rating[5] certification for all high-value buildings in properties under the Trust's FY2019 portfolio	on-track
	2. Recertify all buildings with "expired" Green certifications as required	on-track

CASE STUDY

IGBC GREEN CHAMPION AWARD

In FY2019, CapitaLand India was awarded with the prestigious Indian Green Building Council Green Champion (IGBC) Award for the category – 'Developer leading the green building award in India (commercial)'. This award is given to organisations that have made significant contributions towards advancing the green building landscape in India.

a-iTrust's buildings made significant contributions towards this achievement as 11 out of the 12 IGBC buildings that were factored into deliberating the award winner were under the management of the Trust. The Trust will continue to strive towards the goal of getting all its buildings certified.

5 The minimum "Green" ratings are defined as IGBC Green Rating or LEED Green Rating.

Innovation is another key strategy towards providing premium solutions to customers. Through leveraging technology and design as well as engineering solutions, the Managers continue to deliver high-quality sustainable business space solutions.

CASE STUDY

PROCESS MODIFICATION & DESIGN & AUTOMATION OF SEWAGE TREATMENT PLANT

One of the areas of innovation explored by the Managers is in the redesign of sewage treatment plants. As a key source of water for the Trust's facilities, the sewage treatment plants help ensure a good quality, safe and secure water supply.

Traditionally, sewage treatment plants are designed to operate at maximum capacity, with the assumption that there is a peak amount of sewage within treatment tanks. However, real-world data indicates that this is rarely the case. Consequently, energy is often wasted and aeration pumps within these sewage treatment plants undergo unnecessary wear and tear.

At aVance Pune, by introducing new sensors into the system, the sewage level within the sewage treatment plant can be monitored in real time. This ensures that the plant utilises the aeration pumps in the most efficient manner. With this redesign, the sewage treatment plants are now 15% more energy-efficient and produce higher quality of treated water which reduces carbon emissions by 11 tonnes annually.

The Managers also pay close attention to providing quality services, creating a conducive environment and providing high-quality real estate experience. This includes maintaining the proper business continuity plans and risk management processes to minimise business impacts and ensure business resilience during emergency situations, through the CapitaLand Group Business Continuity Management Policy.

The top priority of the Managers is to ensure the safety and well-being of all stakeholders, including employees, visitors, contractors and tenants of the properties. Standard Operating Procedures are in place to plan for various types of emergencies such as airborne infectious diseases, acts of terrorism and natural disasters. For example, during a pandemic flu outbreak, precautionary measures such as temperature monitoring, the use of disinfectant, staff awareness and tenant communication on good personal hygiene will be instituted according to varying levels of alert and impact.

Tenant Satisfaction

Tenants form a core part of the business and enhancing tenants' satisfaction and experience positively translates to the Trust's success and branding. To be a leading global enterprise that enriches communities through high-quality products and services, the Trust adopts the Group's multi-pronged approach of service excellence, quality activated spaces and holistic programmes as observed in Figure 8 below. In addition to the traditional focus of physical enhancements to amenities, the Managers also emphasise the quality of the service that is provided and creation of a sense of community amongst the Trust's tenants.

Figure 8: Tenant satisfaction strategy

As part of the Managers' ongoing efforts to improve service excellence, tenants are engaged on a regular basis through surveys and events by which they can express their feedback. In FY2019, a 'User Relational Survey' was commissioned to understand tenants' usage and satisfaction with existing facilities and services and satisfaction with the staff deployed at each property. Findings from the survey would aid the Managers in proposing better designs and initiatives that would help enhance the tenant experience within the properties.

For this survey, the Managers saw a significant increase in tenant's satisfaction compared to the previous survey carried out in 2018. This increase in satisfaction was observed in most categories including service levels by the IT park personnel such as security guards, cleaning staff and on-site support, as well as physical amenities such as parking and transport availability and cleanliness of facilities. Tenants also appreciated value-added features such as the availability of digital signages for wayfinding. Overall, these survey results indicate that the initiatives introduced over the years are generally well-received by the tenant community.

CASE STUDY

GUINNESS BOOK OF WORLD RECORDS ACHIEVEMENT

In August 2019, ITPC set the Guinness World Record for conducting the 'largest nature conservation lesson'. During the awareness campaign, several eminent environment experts shared insights on the impact of the depletion of natural resources, and the ways and means to conserve and preserve them.

In total, 1,479 employees of tenants at ITPC attended the awareness campaign on nature conservation. This was twice the number of participants of the previous record holder. All participants also pledged to adopt the sustainable way of living. The strong turnout at the awareness campaign motivates the Managers to further tap on its strong network of business partners and tenants to preserve the environment moving forward.

Besides encouraging tenants to do their part for environmental sustainability, the Managers believe that holding such events create a shared identity and sense of achievement amongst the tenants, thereby increasing their sense of belonging to the IT parks. The Managers will continue to strive towards strengthening this sense of community at its parks.

Security, Health and Safety at Business Parks

With increasing uncertainties and emergence of new threats both in the physical and digital space, the Managers place security and safety at the forefront of all our property operations. The Trust is proactive in managing these aspects by implementing various pragmatic security measures, physical protection practices and security technology into building security plans across these areas.

Figure 9. Examples of Security, Health and Safety practices at the IT parks

HEALTH, HYGIENE & SAFETY

- Emergency preparedness
- Public health management
- Safety training and awareness campaigns
- Safety risk assessments
- Incident reporting and investigation
- Safety performance monitoring
- First aid and personal protective equipment

PROPERTY SECURITY

- Power fencing along boundary walls of parks
- Armed guards deployment
- Use of unique hologram identification sticker for vehicles and personnel
- Closed-circuit television (CCTV)
- Visitor Management System*

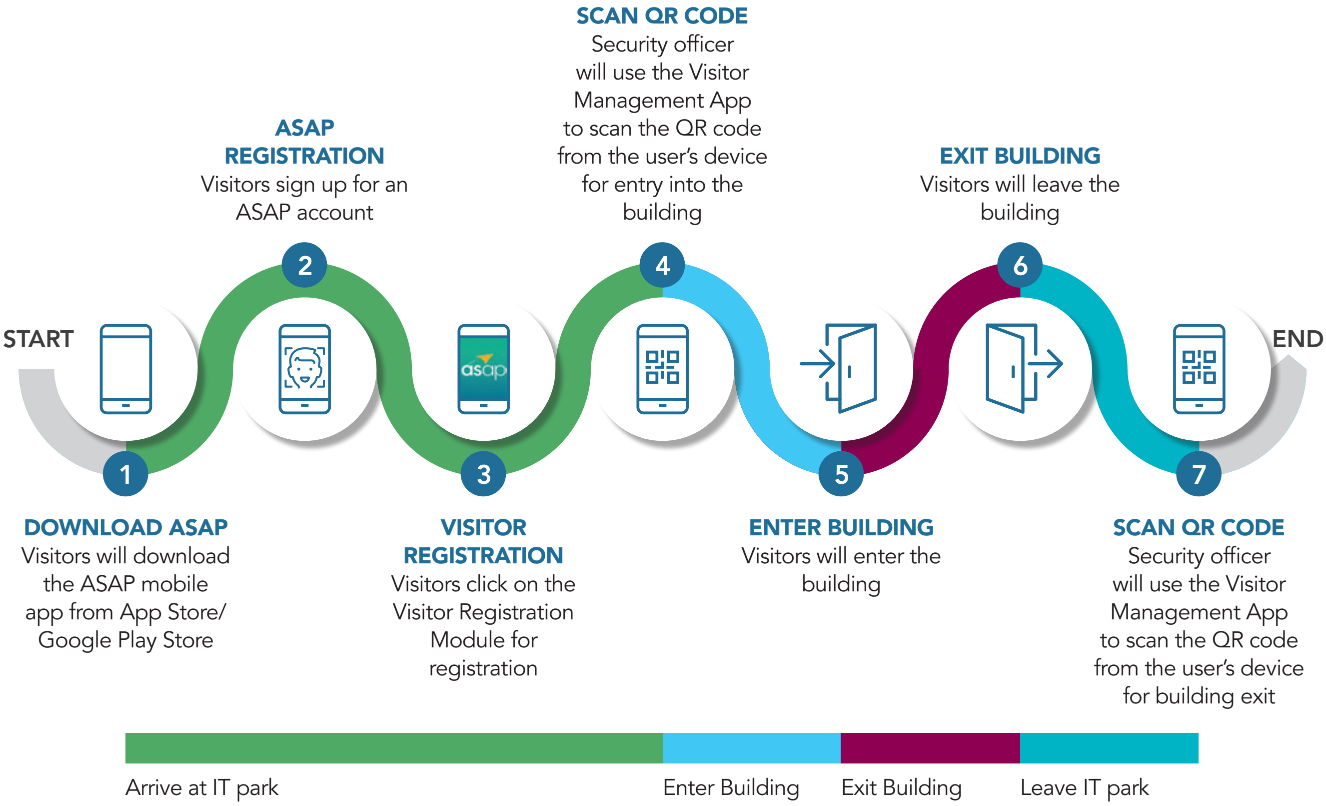
* Introduced in FY2019

Property Security

Physical property security is crucial for the safety of occupants and safekeeping of their possessions. In addition to potential safety implications on human lives, security breaches may result in high business costs for the rebuilding of property, insurance pay-outs, loss in reputation and lower stakeholder confidence. As security breaches may happen unnoticed, the Managers are cognisant of the need for constant vigilance and readiness on the ground. The Managers interact closely with external security vendors to review procedures and ensure that they are well-equipped with the skills to anticipate, identify and manage security threats. Standard procedures such as building evacuation, video surveillance backup and visitor identification checks are in place. The Property Manager liaises with the local police, the State Intelligence Bureau and the Centre for Counter-Terrorism to stay abreast of any recent developments that may require them to intensify their security plans.

To further enhance security, the Managers have introduced a digital Visitor Management System ("VMS"). Through the system, employees of tenants are able to raise visitor requests through a phone application to host visitors to the property. Each request generates an email with a unique QR code for security clearance in the buildings. This process allows the Managers to track the movement of visitors in and out of the building in an unobtrusive manner. Figure 10 provides an overview of the VMS.

Figure 10. Overview of Visitor Management System



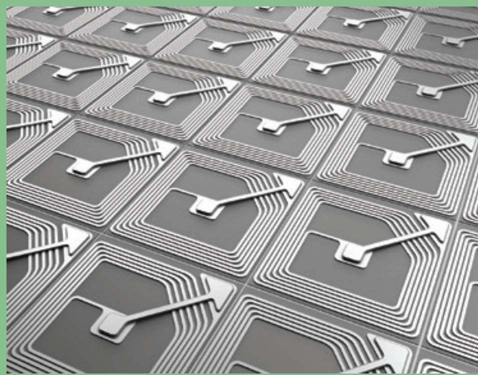
Focus Area	Perpetual Targets	FY2019 Performance
Terrorism threats, trespassing violations and incidences of theft	0 reported cases	✓ 0 reported cases

CASE STUDY

RFID IDENTIFICATION PILOT AT ITPB

As part of the Managers ongoing process of improving the security practices within the properties, a Radio Frequency Identification (RFID) system was piloted in ITPB. This system was introduced to restrict the parking of hired transport vehicles at unauthorised locations and for long durations within the IT park.

The RFID system works by having tenants register all their transport service providers at ITPB with the Managers. Registered vehicles of these transport operators will be provided with stickers containing RFID tags. These tags allow for the movement of the registered vehicles to be tracked within the IT park. In the event where these vehicles remain within the parks for longer than the authorised duration, email notifications would be sent to the tenants to flag the violation of security protocols by the transport company.



This system provides a seamless way for the Managers to account for the vehicles within the park and ensure that there are no instances of unauthorised access and parking by vehicles within the property.

Information Security

Cyber security and data privacy are top priorities for the Managers with the increased application of digital capabilities in its business. The Managers recognise the high potential costs to the Trust if information security is not properly handled.

The Managers adopts CapitaLand's Group-wide policies and procedures which set out the governance and controls of IT risks, including cyber risks. These focus on cyber resilience through efforts to strengthen its internal cyber security ecosystem. The Managers are also committed to maintain full compliance with various regulations such as Personal Data Protection Act ("PDPA") and MAS Technology Risk Management Guidelines ("MAS TRMG"), where applicable.

Appropriate measures are in place to ensure the confidentiality, integrity and availability of CapitaLand's IT assets, including those of the Managers. This includes implementing access controls, building up data security, raising staff's IT security awareness through activities such as anti-phishing campaigns, and conducting an annual IT disaster recovery exercise to ensure business recovery objectives are met.

Focus Area	Targets for FY2019	FY2019 Performance
Enhancing information security	0 incidents of hacking, website defacement or loss of data that has a huge negative impact on the corporation in terms of big financial loss or reputational loss	✓ Achieved
	Response & Recovery: Achieve optimal data recovery test results	✓ Achieved
	0 reported cases of substantiated complaints regarding breaches of tenant privacy and loss of tenant data	✓ 0 reported cases
	Targets for FY2020	
	Raise staff IT security awareness and conduct annual data recovery exercise	

Health, Hygiene And Safety

In addition to external threats, safety concerns can also arise from within the properties. To manage such matters, the Managers have implemented a safety management framework guided by its Integrated Management System ("IMS"). The IMS conforms to the requirements of ISO 9001 (Quality Management), ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health & Safety) Standards. It allows a unified approach in managing various previously-isolated systems, promoting optimal and less-conflicting resource allocation. Currently, the IMS is being externally verified to ensure alignment with industry best practices.

Figure 11. Overview of Integrated Management System

Core Objectives

- Investment in greenfield projects and revenue yielding properties.
- Sustainable Green Development through effective project management.
- Focus on process excellence and technology with a strategic lookout towards fostering safe and sustainable operations to enhance customer experience.
- To engage customers through effective and efficient coordination on space management thereby enhancing customer delight.
- To drive efficiency in both Individual & Organisational performance by way of adhering to procedures, processes and complying with statutory obligations.
- Brand Building - to establish the CapitaLand brand in India and increase brand awareness amongst all key stakeholders such as clients, employees, media and partners.
- Support the leadership in Corporate Governance and identifying, managing and mitigating legal, regulatory and commercial risks.

Additionally, annual preparedness exercise and fire evacuation drills are conducted at all properties. The exercises are organised to familiarise all tenants and property management staff with emergency response procedures for contingencies such as fire or bomb threats. Measures to respond to public health situations such as flu pandemics has also been implemented.

Focus Area	Perpetual Targets	FY2019 Performance
Health and safety incidents[6] for contractors, tenants and visitors	0 reported incidents	✓ 0 reported incidents

CASE STUDY

NIGHT EVACUATION DRILL AT AVIATOR

The Managers and tenants need to increase their readiness to respond in the case of an emergency or crisis through annual preparedness exercises and evacuation drills.

The night evacuation drill at the Aviator building in ITPB conducted in December 2019 is one such example. Tenants practiced evacuation to an emergency point in a simulated emergency evacuation scenario, responding quickly to the evacuation notice when the emergency alarm was triggered, and evacuated the building to assemble at the designated location in a timely manner.

From conducting such simulated evacuation scenarios, the property management staff can better identify any potential bottlenecks and work to improve the evacuation process, so as to be more coordinated in the case of a real emergency. Additionally, tenants are also able to familiarise themselves with the appropriate actions to be taken to keep themselves safe during such emergencies. By ensuring that all parties understand their responsibilities during an emergency, damages from such potential events would be minimised.

6 Incidents are defined as cases of injuries, occupational diseases or fatalities of contractors, tenants and visitors at the properties.

SUSTAINABILITY REPORT

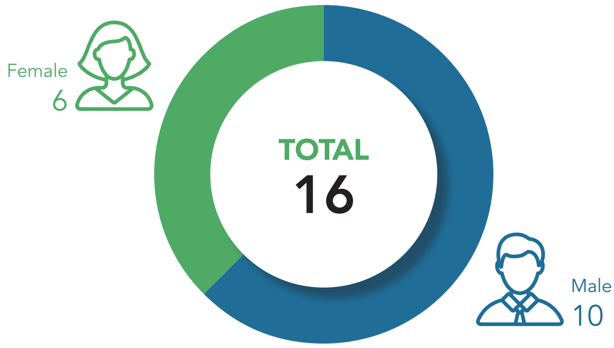
PEOPLE

Team Profile

The Trust values its employees and the contributions they make towards its progress and success. The Trustee-Manager commits resources to develop its employees and ensures they are given optimal support and environment to perform their best.

In FY2019, the Trustee-Manager has a total team member strength of 16 employees, all of whom are in Singapore. All employees were hired with permanent contracts and on a full-time basis. Figure 12 illustrates the Trustee-Manager's employees' profile.

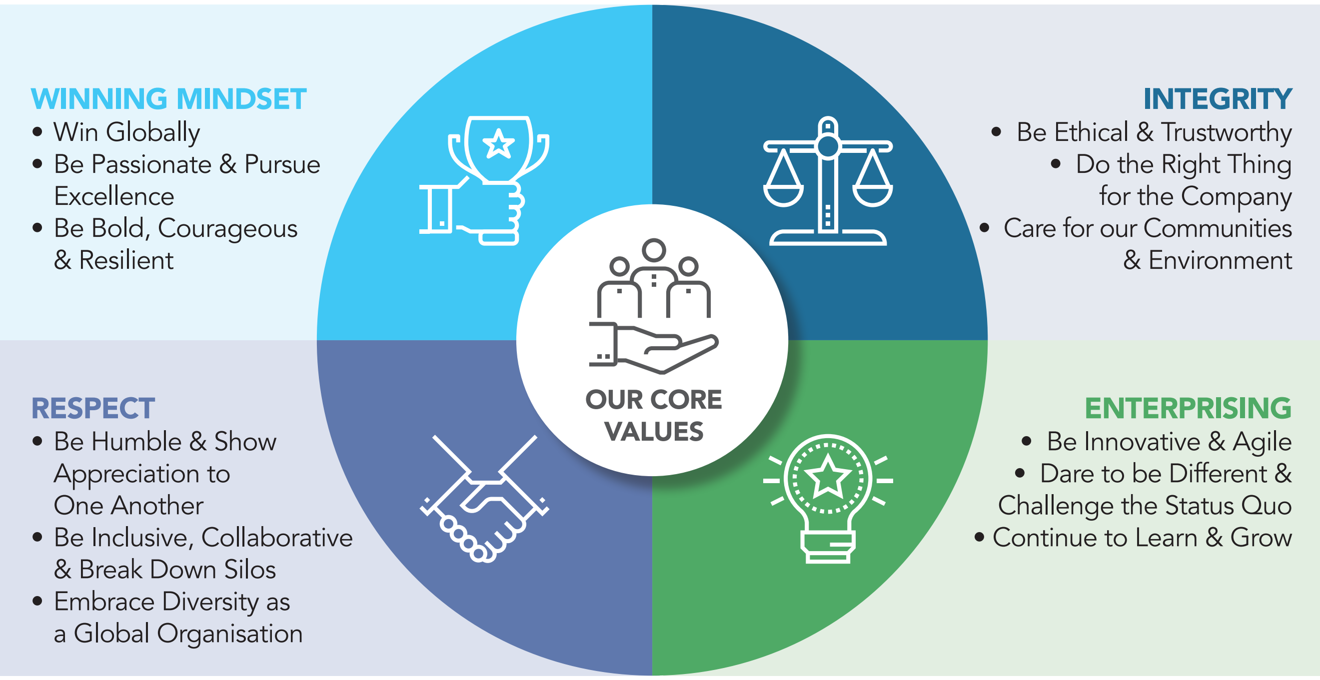
Figure 12. Employees profile



Culture and Values

a-iTrust and its properties are managed by the Trustee-Manager and Property Manager respectively, both of which are wholly owned subsidiaries of CapitaLand. Guided by CapitaLand's Core Values, the Managers are committed to high standards of governance that are supported by the right organisational culture, educating employees on good business conduct and ethical values. An overview of these values can be observed in Figure 13 below. All employee engagement efforts including communication, training, recognition and awards are anchored in these values.

Figure 13. Overview of Employee Values



CASE STUDY

CAPITALAND INDIA CERTIFIED "GREAT PLACE TO WORK"

Great Place To Work® Certified INDIA

In FY2019, CapitaLand India was recognised as a "Great Workplace" by the Great Place to Work Institute (India). This award is given to organisations with a positive workplace culture and environment that supports the growth and well-being of its employees. Through a series of surveys, it was reflected that employees gave positive feedback on their experience working for CapitaLand India. In providing a review of the workplace, employees cited key activities such as wellness programmes, team building sessions, leadership interactions, and giving back to the less privileged communities through volunteering activities. These positive reviews directly contributed to the attainment of the "Great Workplace" award. Moving forward, CapitaLand India will continue to explore opportunities and activities to further engage employees and maintain programmes which directly contribute towards the well-being of its employees.

Health and Wellness of Employees

As employees typically spend around a third of their day at work in the office, the Trustee-Manager recognises the direct influence that the work environment has on their health and well-being. In consideration of this, CapitaLand has implemented a Total Well-being Programme to promote staff health and well-being. Activities include an annual free on-site health screening, regular wellness activities such as group runs and pilates classes, and monthly events such as CSR activities and bazaars. In addition, employees are also provided information about healthy living through the intranet portal and through engagement of external vendors to provide health talks. Figure 14 provides an overview of the health strategies carried out at the Trust.

Figure 14. Health strategies at a-iTrust

TOTAL WELL-BEING PROGRAMME

ACCESS
Providing opportunities for:
- healthy lunch and snacking options
- free annual health screening

DESIGN
Promoting healthy habits and movement through passive design such as:
- indoor greenery
- cozy collaboration corners

PROGRAMMES
Wellness initiatives throughout the year:
- Wellness Wednesdays activities such as group runs and Pilates classes
- CSR events
- information session on healthy living

POLICIES
Institutionalising health commitment by having policies for:
- flexible work arrangements
- screen breaks
- nursing mothers

Fair Employment Practices

Fair and inclusive hiring practices remains a core part of the Trustee-Manager's strategy towards managing its employees. Such practices build trust and create a diverse workplace that allows for different perspectives and ideas to flourish. This, in turn, helps the Trust better meet customers' expectations, foster even stronger tenant relationships, and ultimately contribute towards generating growth and long-term value for Unitholders. The Trustee-Manager adopts CapitaLand's integrated human capital strategy to recruit, develop and motivate staff. These strategies are summarised in Figure 15 below.

Figure 15. Key employment practices

Anti-child Labour and Anti-forced Labour	Fairness and Diversity
As a CapitaLand-sponsored Trust, a-iTrust complies with the five key principles of fair employment as a signatory of the Employers Pledge with the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). It is against any form of coerced labour and discrimination and adheres to international human rights principles including the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Conventions.	a-iTrust embraces diversity and inclusivity regardless of gender, race, nationality and family status. The Managers believe that staff can make a significant contribution based on their talent, expertise and experience.
Re-employment Opportunities	**Fair Remuneration**
Programmes are in place to facilitate the continued employability of employees such as pre-retirement planning for intended retirees, re-training for those intending to continue working after retiring, severance pay, job placement services, training and counselling on transitioning to a non-working life.	All staff sign employment contracts with clearly stated employment terms and conditions for staff to understand. This includes employment terms on salary and allowances, (statutory) contributions/deductions, leave entitlements, insurance and medical benefits. Performance reviews are conducted annually for all full-time staff, involving open discussions on the employee's performance, developmental needs, career plans and areas for improvement.
Respect for Freedom of Association	**Positive Work Environment**
CapitaLand abides by the Industrial Relations Act that allows employees to be represented by trade unions for collective bargaining. This allows an avenue for employees to seek redress in cases of industrial disputes.	Compensation and benefits programmes are in place to promote a positive work environment, including group medical insurance, personal accident insurance, health screenings, employee engagement initiatives, flexible work arrangements, flexible medical plan and subsidised rates for staff staying at Ascott's serviced residences.

The Trust practices an open-door policy which allows all staff to raise any concerns relating to any aspect of their employment. This includes harassment, grievance handling and whistle-blowing policies applicable to all staff. Staff can also raise their concerns to a higher level of management or the HR department.

To ensure transparency, information such as employment terms, benefits and practices, Ethics and Code of Business Conduct, Fraud, Bribery and Corruption Risk Management Framework are made available to all staff through CapitaLand's intranet portal, iHub.

Focus Area	Perpetual Targets	FY2019 Performance
Substantiated cases of discrimination, child labour or forced labour	0 reported incidents	✔ 0 reported incidents

COMMUNITY

As a leading sustainable urban and business space solutions provider, the Managers recognise their impact and responsibility towards local communities in areas in which the Trust operates. Aligned with the goals of the CapitaLand Hope Foundation, the philanthropic arm of CapitaLand Group, the Managers support projects which assist in meeting the short-term needs and long-term aspirations of groups such as children and elderly in aspects of healthcare, education, and general well-being. To further encourage the spirit of volunteerism amongst employees, the Trust provides three days of volunteer service leave for its employees to participate in these CSR activities.

As a strong proponent of utilising partnerships to achieve the Trust's ESG goals, the Managers have worked with various local governments and non-governmental organisations ("NGOs") across India to further social development of vulnerable communities. These partnerships allow the Managers to leverage the networks and expertise of these groups, thereby ensuring the effectiveness of the corporate social responsibility activities carried out by the Trust. Examples of such partnerships include the planning of Hope School in Bangalore with the Education Department of the Government of Karnataka, the enhancement of the children playground at The Spastics Society of Tamil Nadu (SPASTN) in Chennai and the setting up of four 'Skill Development Centers' with the NGO Unnati in Tamil Nadu.

CASE STUDY

DEVELOPING CHILDREN TO THEIR FULLEST POTENTIAL

In Hyderabad, the Managers partnered with Youth for Seva, a non-profit organisation, for its flagship initiative *Chiguru* at Hyderabad. *Chiguru*, which translates to 'budding', is a platform for children from underserved background to showcase their talents in the field of academics, sports and arts. Guided by the belief that talent and interests should be allowed to flourish regardless of an individual's life circumstances, the event saw strong participation; the event was attended by 4,000 children, 1,000 volunteers and multiple colleges and corporations supporting the cause.

During the event, kids took part in various competitions such as drawing, spelling, running and chess. In recognition of talented individuals, medals and awards were provided to the winners of the various competitions. Upon the completion of the event, the kids were treated to a *Pankti Bhojanam*, or community meal, served by over 500 volunteers.

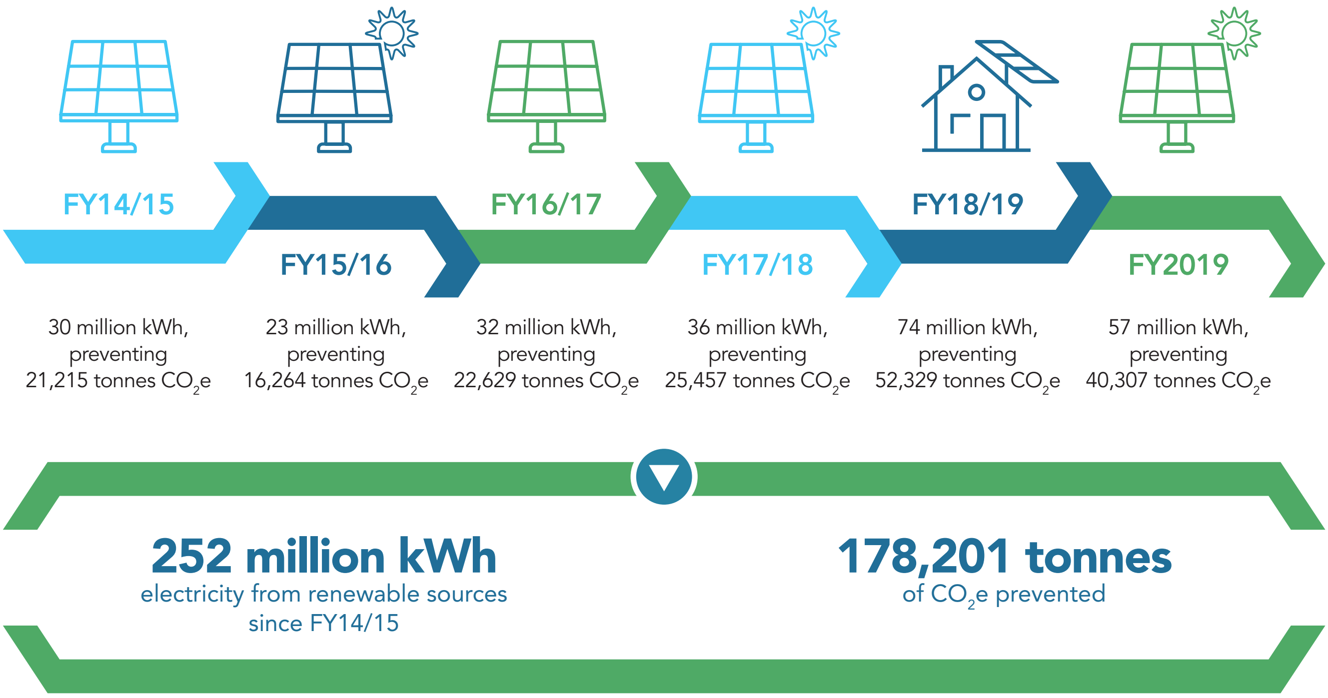
ENVIRONMENT

Reducing Energy and Carbon Footprint

The 2019 IPCC[7] report confirms that climate change is already affecting people, ecosystems and livelihoods all around the world. It shows that while limiting warming to 1.5°C is possible, it would require unprecedented transitions in all aspects of society. Recognising the risk of climate change, India has ratified the Paris Agreement and committed to reducing its carbon intensity by 33-35% from the 2005 levels. In line with this commitment, the Managers are progressively implementing green initiatives across its properties to contribute to the country's emission reduction targets. The Managers adopts two primary approaches towards reducing its carbon footprint – sourcing clean energy and improving energy efficiency.

The progress in a-iTrust's sourcing of renewable energy since 2013 can be observed in Figure 16. This renewable energy is a mix of off-site solar farms and installation of solar panels on the rooftops of a-iTrust's properties. This year, rooftop solar projects were initiated at CyberPearl resulting in an increase of 142kWp in solar energy capacity.

Figure 16. Timeline of Solar Energy adoption by a-iTrust



7 Intergovernmental Panel on Climate Change

Energy saving initiatives adopted by the Managers are summarised in Figure 17.

Figure 17. Energy saving initiatives

Energy Saving Initiatives
Implementing weather modeling and predictive analytics at ITPB, ITPC, CyberVale and CyberPearl provides greater than 99% accuracy in predicting electricity consumption figures.
Implementing advanced Building Management System logics for Heating, Ventilation, and Air Condition (HVAC) systems at ITPB and CyberVale improves energy efficiency of the HVAC systems.
Retrofitting of Electronically Commutated (EC) fans in Air Handling Unit (AHU) at ITPB, ITPC and CyberVale ensures better control of airflow thus increasing efficiency.
Retrofitting of conventional aerators with Original Hydrodynamic Reaction (OHR) aerators in Sewage Treatment Plant (STP) at ITPC improves aeration in the STP, hence increasing energy efficiency.
Smart retrofitting of Cooling tower with EC fans at aVance Pune provides 70% reduction in electricity consumption and 4% reduction in condenser water inlet temperature.
Commissioning of Cloud based IOT Platform at ITPB enables data analytics-based insights towards equipment performance.
Installation of photocell-based control of exterior lights at ITPB automates the operation of exterior lights based on real-time external illumination levels thus avoiding energy leakage.
Installation of smart sensor to reduce energy usage in the sewage treatment plant at aVance Pune.

CASE STUDY

WEATHER MODELLING AND PREDICTIVE ANALYTICS

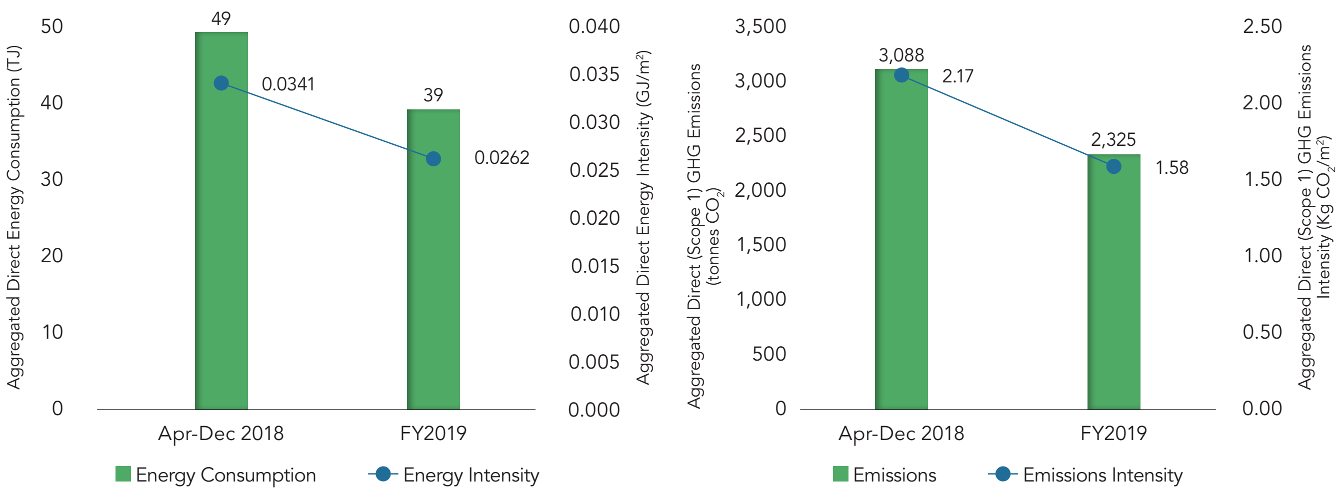
The Managers embrace new technology and methods to increase the efficiency of energy use within its properties.

One of the new tools that have been utilised by the Managers is weather modelling. The Managers adopted statistical regression analysis to ascertain the correlation between the ambient temperature and humidity conditions and HVAC consumption. Using inputs from historical energy use patterns, outside air temperature and humidity data and building utilisation, a model is created to predict the energy use of the property for subsequent months. This allows the Managers to more accurately forecast the amount of power to be procured from offsite renewable sources. Additionally, this also enables the Managers to monitor the impact of energy saving strategies employed. While the system is still being tested and improved, the initial results are promising and allow the Managers to reduce cost and carbon footprint.

Direct Energy Consumption and Greenhouse Gas ("GHG") Emissions

In FY2019, the Trust utilised 39 TJ of direct energy which resulted in 2,325 tonnes of CO_2. Compared to the equivalent nine-month period 1 April 2018 to 31 December 2018, this was a reduction of 20% in direct energy consumed and 25% decrease in emissions across the Trust's operations. This decrease is in line with the Trust's move away from fuel-based captive power plants to the utilisation of green energy sources such as solar energy. In addition, increased stability of the grid has allowed for the reduction in fuel use within the Trust operations. a-iTrust's direct CO_2 emissions and emissions intensity is shown in Figure 18 below.

Figure 18. Direct energy consumption and intensity



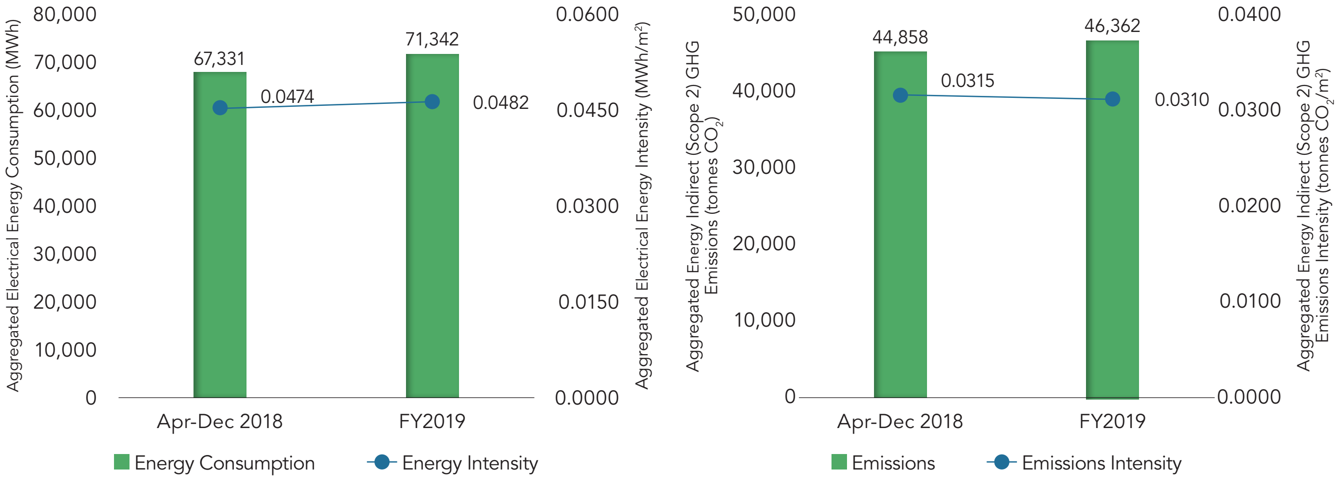
Electrical Energy Consumption and GHG Emissions

The Trust's electrical energy consumption is primarily derived from a mixture of grid energy as well as solar energy from off-site solar farms. For the purpose of calculating energy consumption and GHG emissions, the energy consumption for common areas and air-conditioning were considered.

The Trust utilised 71,342 MWh of electricity which resulted in 46,362 tonnes of CO_2 in FY2019. Compared to the equivalent period in 2018 (1 April 2018 – 31 December 2018), this was a slight increase of 5% in electricity consumed across the Trust's operations. This increase can largely be attributed to the increase in operational activities at aVance Pune due to an increase in the asset's occupancy levels. Despite the increase in energy utilised, there was only a marginal increase in energy intensity[8] from 0.047 MWh/m^2 to 0.048 MWh/m^2. a-iTrust's direct CO_2 emissions and emissions intensity is shown in Figure 19.

8 Energy intensity is calculated by energy consumption for common areas and air-conditioning, divide by effective GFA. Effective GFA is calculated considering total GFA and occupancy rate.

Figure 19. Electrical energy consumption and intensity



Water Management

Water is becoming an increasingly scarce resource in India, a fact which is often attributed to the mismanagement of water resources rather than an actual shortage of available water. Climate change is expected to further exacerbate this problem as uncertainty in precipitation patterns will impact the availability of water in India. In 2019, it has been estimated that 600 million Indians[9] – over half of India's population – faced acute water shortages.

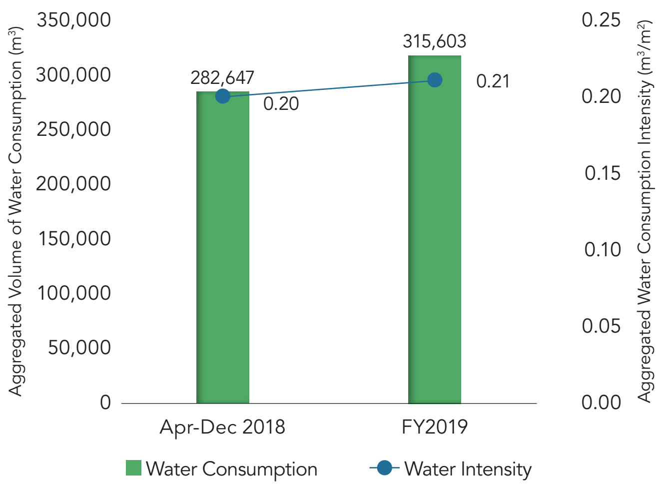
The Manager is cognisant of its responsibility to the local community to use water in a sustainable manner and the importance of managing its wastewater discharge. Given a-iTrust's properties strong dependence on a reliable supply of water to be operational, the Trust continuously strives to optimise its water consumption. Figure 20 provides an overview of some of the initiatives carried out by the Trust to improve its water efficiency.

Figure 20. Water saving initiatives

Water Saving Initiatives
Implementation of water system automation towards remote monitoring and control at ITPB
Usage of recycled water for landscape and flushing for all properties

In FY2019, the Trust utilised 315,603 m^3 of water. This was an increase of 11% of water consumed across the Trust's operations. This increase can be attributed to the increase in operational activities at aVance Pune due to increased occupancy. Despite this increase in water utilisation, there was only a marginal increase in water use intensity from 0.20 m^3/m^2 to 0.21 m^3/m^2 in FY2019. Figure 21 provides an overview of water use across the Trust's properties. The Managers will continue to explore new technologies and water saving practices to ensure the efficient use of water.

Figure 21. Water consumption and intensity



9 National Institution for Transforming India (NITI) Aayog, "Composite Water Management index, a tool for Water Management"

GRI CONTENT INDEX

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Trust & Organisation Structure (Page 18)
102-2	Activities, brands, products, and services	Strategy (Pages 26 – 27), Portfolio (Pages 46 – 49)
102-3	Location of headquarters	Corporate Information (Inside back cover)
102-4	Location of operations	Trust & Organisation Structure (Page 18)
102-5	Ownership and legal form	Trust & Organisation Structure (Page 18)
102-6	Markets served	Operational Review (Pages 50 – 52)
102-7	Scale of the organisation	At a Glance (Pages 8 – 9), Portfolio (Pages 46 – 49), Operational Review (Pages 50 – 52), Financial Review (Pages 53 – 57)
102-8	Information on employee and other workers	Team Profile (Page 76)
102-9	Supply chain	Trust & Organisation Structure (Page 18), Strategy (Pages 26 – 27)
102-10	Significant changes to the organisation and its supply chain	Trust & Organisation Structure (Page 18), Investment Management (Pages 32 – 35)
102-11	Precautionary principle and approach	Enterprise Risk Management (Pages 42 – 43), Governance and Ethics (Pages 64 – 65), Risk Management and Internal Controls (Pages 108 – 110)
102-12	External initiatives	Fair Employment Practice (Page 78), Community (Page 79)
102-13	Membership of associations	REIT Association of Singapore (REITAS)
Strategy		
102-14	Statement from senior decision-maker	Chairman's Message (Pages 10 – 12), CEO's Review (Pages 14 – 17), Board statement (Page 60)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Governance and Ethics (Page 64), Culture and Values (Page 76), Dealings with Interested Persons (Page 116), Dealing with Conflicts of Interest (Page 117)
102-17	Mechanisms for advice and concerns about ethics	Governance and Ethics (Page 64)
Governance		
102-18	Governance structure	Trust & Organisation Structure (Page 18), Board of Directors (Pages 20 – 23), Trustee-Manager (Page 24), Property Manager (Page 25), The Board's Conduct of Affairs (Pages 90 – 94)
102-20	Executive-level responsibility for economic, environmental, and social topics	Chairman and Chief Executive Officer (Page 98)
102-22	Composition of the highest governance body and its committees	Board of Directors (Pages 20 – 23), The Board's Conduct of Affairs (Pages 90 – 94), Board Composition and Guidance (Pages 94 – 97), Chairman and Chief Executive Officer (Page 98)
102-23	Chair of the highest governance body	Chairman and Chief Executive Officer (Page 98)

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Governance		
102-24	Nominating and selecting the highest governance body	Board Composition and Guidance (Pages 94 – 97), Board Membership (Pages 99 – 101)
102-25	Conflicts of interest	Dealings with Interested Persons (Page 116), Dealing with Conflicts of Interest (Page 117), Dealings with Securities (Page 118)
102-32	Highest governance body's role in sustainability reporting	Board Statement (Page 60), Materiality Assessment (Pages 62 – 63), The Board's Conduct of Affairs (Pages 90 – 94)
102-33	Communicating critical concerns	The Board's Conduct of Affairs (Pages 90 – 94)
102-35	Remuneration policies	Remuneration Matters (Pages 102 – 104)
102-36	Process for determining remuneration	Remuneration Matters (Pages 102 –104)
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement (Page 61)
102-41	Collective bargaining agreements	All employees within the scope of this report are not covered by collective bargaining agreements, as they are professionals.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement (Page 61)
102-43	Approach to stakeholder engagement	Stakeholder Engagement (Page 61)
102-44	Key topics and concerns raised	Stakeholder Engagement (Page 61)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Reporting Scope (Page 60), Investment in Subsidiaries (Pages 187 – 188)
102-46	Defining report content and topic boundaries	About this Report (Page 60)
102-47	List of material topics	Materiality Assessment (Pages 62 – 63)
102-48	Restatements of information	-
102-49	Changes in reporting	Due to changes to the Financial Year of the Trust, the reporting scope of this sustainability report was changed to April – December 2019 ("FY2019")
102-50	Reporting period	About this Report (Page 60)
102-51	Date of most recent report (if any)	Sustainability Report 2018/2019
102-52	Reporting cycle	About this Report (Page 60)
102-53	Contact point for questions regarding the report	Enquiries (Page 45)
102-54	Claims of reporting in accordance with the GRI Standards	About this Report (Page 60)
102-55	GRI content index	GRI Content Index (Page 84 – 87)
102-56	External assurance	Assurance (Page 60)

Disclosure		Reference(s) or Reasons for Omission
Material Topics: High Standards of Corporate Governance, Business Ethics and Employee Conduct, Regulatory Compliance		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Governance and Ethics (Page 64)
103-2	The management approach and its components	Governance and Ethics (Page 64)
103-3	Evaluation of the management approach	Governance and Ethics (Page 64)
Anti-Corruption		
205-1	Operations assessed for risks related to corruption	Governance and Ethics (Page 64)
205-2	Communication and training about anti-corruption policies and procedures	Governance and Ethics (Page 64)
205-3	Confirmed incidents of corruption and actions taken	Governance and Ethics (Page 64)
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Regulatory Compliance (Page 65)
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance (Page 65)
Material Topic: Premium Quality Solutions		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Premium Quality Solutions (Page 66)
103-2	The management approach and its components	Premium Quality Solutions (Page 66)
103-3	Evaluation of the management approach	Premium Quality Solutions (Pages 66 – 67)
Product and Service Labeling		
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Premium Quality Solutions (Page 66)
Material Topic: Security of Business Parks and Properties		
Additional Topic: Health, Hygiene and Safety of General Public and Adjacent Communities		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Security, Health and Safety at Business Parks (Page 71)
103-2	The management approach and its components	Security, Health and Safety at Business Parks (Pages 71 – 72)
103-3	Evaluation of the management approach	Security, Health and Safety at Business Parks (Pages 71 – 72)

Disclosure		Reference(s) or Reasons for Omission
Additional Topic: Health, Hygiene and Safety of General Public and Adjacent Communities		
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Health, Hygiene and Safety (Pages 74 – 75)
Additional Topic: Reducing Energy and Carbon Footprint		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Reducing Energy and Carbon Footprint (Page 80)
103-2	The management approach and its components	Reducing Energy and Carbon Footprint (Pages 80 – 81)
103-3	Evaluation of the management approach	Reducing Energy and Carbon Footprint (Pages 80 – 81)
Energy		
302-1	Energy Consumption within the organisation	Reducing Energy and Carbon Footprint (Pages 82 – 83)
302-3	Energy intensity	Reducing Energy and Carbon Footprint (Pages 82 – 83)
302-4	Reduction of energy consumption	Reducing Energy and Carbon Footprint (Pages 82 – 83)
Emissions		
305-1	Direct (Scope 1) GHG emissions	Reducing Energy and Carbon Footprint (Page 82)
305-2	Indirect (Scope 2) GHG emissions	Reducing Energy and Carbon Footprint (Page 82 – 83)
305-4	GHG emissions intensity	Reducing Energy and Carbon Footprint (Page 82 – 83)
Additional Topic: Fair Employment Practices		
Management Approach		
103-1	Explanation of the material topic and its Boundary	Fair Employment Practices (Page 78)
103-2	The management approach and its components	Fair Employment Practices (Page 78)
103-3	Evaluation of the management approach	Fair Employment Practices (Page 78)
Material Topic: Security of Business Parks and Properties		
Additional Topic: Water Management		
Management Approach (2018)		
103-1	Explanation of the material topic and its Boundary	Water Management (Page 83)
103-2	The management approach and its components	Water Management (Page 83)
103-3	Evaluation of the management approach	Water Management (Page 83)
303-1	Interactions with water as a shared resource	Water Management (Page 83)
303-2	Management of water discharge-related impacts	Water Management (Page 83)
Water and Effluents (2018)		
303-3	Water withdrawal	Water Management (Page 83)

CORPORATE GOVERNANCE REPORT

OUR ROLE

We, as the trustee-manager of Ascendas India Trust (Trustee-Manager) set the strategic direction of Ascendas India Trust (a-iTrust) and its subsidiaries (a-iTrust Group) and are also responsible for the capital and risk management of the a-iTrust Group. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Trustee-Manager.

As the Trustee-Manager, we have general powers of management over the assets of a-iTrust. Our primary responsibility is to manage the assets and liabilities of a-iTrust for the benefit of the unitholders of a-iTrust (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 Trustee-Manager include:

(a) conducting all transactions on behalf of a-iTrust at arm's length, using best endeavours;

(b) developing and implementing a-iTrust's business plan and budget;

(c) ensuring compliance with all applicable prevailing laws and regulations, such as those contained in the Listing Manual of SGX-ST (Listing Manual), the adopted key provisions of the Code on Collective Investment Schemes (CIS Code) including the Property Funds Appendix issued by the Monetary Authority of Singapore (MAS), the Securities and Futures Act, Chapter 289 of Singapore (SFA), the Business Trusts Act, Chapter 31A of Singapore (BTA), as well as the Trustee-Manager's obligations under the Trust Deed;

(d) ensuring the execution of works by the appointed Property Manager that provides property management, marketing and project management services for the properties held by a-iTrust, pursuant to the relevant property management agreement;

(e) maintaining a framework of prudent and effective controls which enables financial, operational and compliance risks to be assessed and managed; and

(f) managing regular communications with Unitholders and any necessary announcements in accordance with the Listing Manual.

The Trustee-Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. a-iTrust's environmental sustainability and community outreach programmes are set out on pages 60 to 87 of this Annual Report.

a-iTrust, constituted as a business trust, is externally managed by the Trustee-Manager and accordingly, it has no employees. The Trustee-Manager appoints experienced and well-qualified executives to run its day-to-day operations.

The Trustee-Manager was appointed in accordance with the terms of the trust deed constituting a-iTrust dated 7 December 2004 (as amended, varied or supplemented from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Trustee-Manager can be removed, including the proposal and passing of a resolution by a majority being greater than 75.0% of the total number of votes cast at a meeting of Unitholders duly convened in accordance with the provisions of the Trust Deed.

CORPORATE GOVERNANCE REPORT

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

(a) a stable pipeline of property assets through CapitaLand'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

Our corporate governance framework is set out below:

Board of Directors

4 Independent Directors (ID) and 3 Non-Independent Directors (Non-ID)
Led by ID, Mr Chiang Chie Foo, Chairman

Key Responsibilities:
Oversee the Trustee-Manager's strategic direction, performance and affairs and foster the success of a-iTrust so as to deliver sustainable value over the long term to Unitholders.

Audit and Risk Committee (ARC)

3 IDs
Led by ID, Mr Alan Rupert Nisbet, ARC Chairman

Key Responsibilities:
Assists the Board in its oversight of the integrity of the financial statements and related disclosures, oversight, assessment and review of internal controls, review of the internal and external auditors' findings on internal controls, making recommendations to the Board on the appointment/re-appointment of the auditors and the remuneration of the auditors.

Investment Committee (IC)

2 IDs, 2 Non-IDs
Led by Mr Manohar Khiatani, IC Chairman

Key Responsibility:
Approves transactions delegated by the Board.

Note: Details in the diagram are as at 12 February 2020.

CORPORATE GOVERNANCE REPORT

The Trustee-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 Trustee-Manager with a view to achieving operational excellence and delivering the a-iTrust Group's long-term strategic objectives. The policies and practices it has developed to meet the specific business needs of the a-iTrust Group provide a firm foundation for a trusted and respected business enterprise.

Throughout FY2019, the Trustee-Manager has complied with the principles of the Code of Corporate Governance 2018 (Code) and also, substantially, with the provisions underlying the principles of the Code. Where there are deviations from any of the provisions of the Code, an explanation has been provided within this corporate governance report (Report), including an explanation on how the practices adopted are consistent with the intent of the principles of the Code. This Report also sets out additional policies and practices adopted by the Trustee-Manager which are not provided in the Code.

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

This Report sets out the corporate governance practices for FY2019 with reference to the Code. A summary disclosure of the Company's compliance is set out on pages 64 to 65 of this Annual Report.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Trustee-Manager is led by the Board, with non-executive IDs constituting more than half of the Board.

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Trustee-Manager, in furtherance of the Trustee-Manager's primary responsibility to foster the success of a-iTrust so as to deliver sustainable value over the long term to Unitholders and ensures that the interests of the Unitholders are always upheld above the interests of the Trustee-Manager and its shareholder/sponsor. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve a-iTrust's objectives and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for a-iTrust and the day-to-day operations of a-iTrust'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 all applicable prevailing laws and regulations, such as those contained in the Listing Manual, certain key provisions of the CIS Code including the Property Funds Appendix issued by the MAS which a-iTrust has voluntarily adopted, the SFA, the BTA, as well as the Trustee-Manager's obligations under the Trust Deed. It also sets the disclosure and transparency standards for a-iTrust and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has adopted a set of internal controls which establishes approval limits for, among others, capital expenditure, foreign exchange management, procurement of goods and services, new investments and divestments, and the operation of bank accounts. The Board has reserved authority to approve certain matters and these are clearly communicated to Management in writing. These matters include:

(a) acquisition, development and disposal of properties that exceed the IC's limits;

(b) corporate and financial transactions that exceed the IC's limits;

(c) remuneration for the CEO and key management personnel of the Trustee-Manager for its shareholder's approval; and

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

Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below those limits to Board Committees and Management for 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 a-iTrust. 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 (Code of Conduct and Ethics) 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 Code of Conduct and Ethics. 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 Trustee-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 a-iTrust and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

Further, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as Directors, including understanding the business of a-iTrust and the environment in which a-iTrust 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 Trustee-Manager has in place a training framework to guide and support the Trustee-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 cost of such trainings is borne by the Trustee-Manager.

Upon appointment, each Director is provided with a formal letter of appointment setting out their duties, obligations and responsibilities, and a copy of the Director's Manual containing the Trust Deed and other relevant information and documentation relating to a-iTrust and the Trustee-Manager. All Directors upon appointment also undergo an induction programme which focuses on orientating the Director to the business activities of a-iTrust, its business plan, the regulatory environment in which it operates, its corporate governance practices and their statutory duties and responsibilities as Directors. Through the induction programme, the new Director also gets acquainted with members of the Management which facilitates their interaction at Board meetings.

Following their appointment, the Directors are provided with opportunities for continuing education in areas such as directors' 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. Independent Directors are also invited to attend professional development courses conducted by organisations such as the Singapore Institute of Directors, covering areas such as regulatory compliance to enhance their capabilities. The Directors may also recommend suitable training and development programmes to the Board. The Directors also receive on a regular basis reading materials on topical matters or subjects as well as updates on regulatory changes and their implications.

Through these programmes, the Directors understand a-iTrust's business as well as their duties as Directors.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. As at 12 February 2020, these Board Committees are the Audit and Risk Committee (ARC) and the Investment Committee (IC)[1].

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. For FY2019, the decisions and significant matters discussed at the respective Board Committees are reported to the Board on a quarterly 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 the inside back cover of this Annual Report. The duties and responsibilities of the Board Committees are set out in this Report.

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

Meetings of Board and Board Committees

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Trustee-Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings through telephone conference, video conference or by means of similar communication equipment. 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.

1 The Nominating and Remuneration Committee has been dissolved with effect from 1 February 2020. Please see Principle 4 for additional details.

At the scheduled meetings, the Board reviews the financial performance of a-iTrust and also reviews the risks relating to the assets of a-iTrust, examines liabilities and comments from the auditors of a-iTrust and ensures that measures are implemented to address any concerns. In addition to the scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives.

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 quarterly Board meeting;

(b) ARC's recommendation on a-iTrust's quarterly and year-end financial results following ARC's review of the same;

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

(d) updates on the a-iTrust Group's business and operations in the preceding quarter, including market developments and trends, as well as business initiatives and opportunities;

(e) financial performance, budgetary and capital management related matters in the preceding quarter, 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 a-iTrust's operations or financial performance; and

(g) prospective transactions which Management is exploring.

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

The Trustee-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 contributes to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board. At Board and Board Committee meetings, all the Directors actively participate in discussions, and in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations.

The Directors are provided with complete, adequate and timely information prior to Board and Board Committee meetings 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 seven 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 have identified. Agendas for Board and Board Committee meetings are prepared in consultation with the Chairman and chairmen of the respective Board Committees. This provides assurance that all relevant matters will be covered during the meetings.

CORPORATE GOVERNANCE REPORT

In line with the Trustee-Manager's ongoing commitment to minimise paper waste and reduce its carbon footprint, 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.

A record of the Directors' attendance at Board and Board Committee meetings for FY2019 and the number of such meetings held is set out on page 119 of this Annual Report. The CEO who is also a Director attends all Board meetings. He also attends all ARC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate, 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 Secretaries. The Company Secretaries are legally trained and keep themselves abreast of relevant developments. They have oversight of corporate secretarial administration matters and advise the Board and Management on corporate governance matters. The Company Secretaries attend all Board meetings and assist the Chairman in ensuring that Board procedures are followed. The Company Secretaries also facilitate the induction programme for new Directors and oversee professional development administration for the Directors. The appointment and the removal of the Company Secretaries 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 Trustee-Manager's expense.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at 12 February 2020, the Board consists of seven directors. Mr Girija Pande and Mr Ng Eng Leng have retired from their role as independent directors with effect from 31 July 2019 and have also relinguished their role as a member of the Investment Committee and as a member of the Audit and Risk Committee respectively on the same day. Mrs Zia Jaydev Mody has been appointed as a member of the Investment Committee with effect from 1 August 2019.

All disclosure in this Report relating to the Board or Board Committee will be as at 12 February 2020 after taking into account the changes highlighted above unless otherwise stated.

Board Independence

The Board has a strong independent element as four out of seven directors, including the Chairman, are non-executive IDs. Non-executive Directors also make up more than a majority of the Board as the CEO is the only executive Director on the Board. It is noted that all of the Directors have served on the Board for fewer than nine years.

The non-executive directors and independent directors, led by the independent Chairman or other independent director, meet regularly without the presence of Management and the chairman of such meetings provides feedback to the Board and/or Chairman of the Board as appropriate.

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 that the composition reflects a strong independent element as well as diversity of thought and background. The review takes into account the scope and nature of the a-iTrust Group's operations, and the competition that the a-iTrust Group faces.

Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 20 to 23 and page 119 of this Annual Report. Key information on the Directors is also available on a-iTrust's website at www.a-itrust.com (Website).

The Statement on the Composition of the Board of Directors of the Trustee-Manager pursuant to Regulation 12 (8) of the Business Trusts Regulations (BTR) can be found on page 136 of this Annual Report.

The Board assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual, the guidance in the Code, the BTR 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 (i) independent from management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager and (ii) is independent in conduct, character and judgement and

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

(b) is not employed by the Trustee-Manager or a-iTrust or their related corporations in the current or any of the past three financial years; and

(c) does not have an immediate family member who is employed or has been employed by the Trustee-Manager or a-iTrust or their related corporations in the current or for any of the past three financial years and whose remuneration is or was determined by the Board;

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

(a) each ID provides information of his or her business interests and confirms, upon appointment, as well as on an annual basis, that there are no relationships which interfere with the exercise of his or her independent business 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 Trustee-Manager any change of circumstances which may affect his or her independence.

The Board has carried out the assessment of the independence of its IDs for FY2019 and the paragraphs in page 96 set out the outcome of the assessment. Each of the IDs had recused himself or herself from the Board's deliberations on his or her independence.

Mr Chiang Chie Foo and Mr Alan Rupert Nisbet

Each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet is a non-executive director of various subsidiaries and/or associated corporations of Temasek Holdings (Private) Limited ("Temasek"). Temasek is a substantial shareholder of the Trustee-Manager. Each of Mr Chiang Chie Foo's and Mr Alan Rupert Nisbet's role in these corporations is non-executive in nature and they are not involved in the day-to-day conduct of these corporations.

The Board has considered the conduct of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet in the discharge of their duties and responsibilities as Directors, and is of the view that the relationships set out above did not impair their abilities to act with independent judgement in the discharge of their duties and responsibilities as Directors and that as at the last day of FY2019, each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet was able to act in the best interests of all the Unitholders in FY2019. Save for the relationships stated above, each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet does not have any other relationships and is not faced with any of the circumstances identified in the Code, the BTR and the Listing Manual, or any other relationships which may affect his independent judgement. The Board is therefore of the view that each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet is an ID.

Mrs Zia Jaydev Mody

Mrs Zia Jaydev Mody is currently a partner of AZB & Partners, which is one of the law firms that a-iTrust and the Trustee-Manager engage to provide legal services in India. Mrs Zia Jaydev Mody is neither involved in the relevant professional engagements, nor the provision of such legal services, which were provided by separate teams of lawyers within AZB & Partners in the ordinary course of business, on arm's length basis and based on normal commercial terms.

The Board has considered the conduct of Mrs Zia Jaydev Mody in the discharge of her duties and responsibilities as a Director, and is of the view that the relationship set out above did not impair her ability to act with independent judgement in the discharge of her duties and responsibilities as a Director and that as at the last day of FY2019, she was able to act in the best interests of all the Unitholders in respect of FY2019. Save for the relationships stated above, she does not have any other relationships and is not faced with any of the circumstances identified in the Code, the BTR and the Listing Manual, or any other relationships which may affect her independent judgement. The Board is therefore of the view that Mrs Zia Jaydev Mody has exercised independent judgement in the discharge of her duties and responsibilities. Based on the above, the Board arrived at the determination that Mrs Zia Jaydev Mody is an ID.

Mr T.V. Mohandas Pai

Mr T.V. Mohandas Pai does not have any relationship (and is not faced with any of the circumstances identified in the Code, the BTR and the Listing Manual, or any other relationships) which may affect his independent judgement.

The Board has considered whether Mr T.V. Mohandas Pai had demonstrated independence in character and judgement in the discharge of his responsibilities as a director and concluded that Mr T.V. Mohandas Pai had acted with independent judgement. On the basis of the declaration of independence provided by Mr T.V. Mohandas Pai and the guidance in the Code, the BTR and the Listing Manual, the Board arrived at the determination that Mr T.V. Mohandas Pai is an ID.

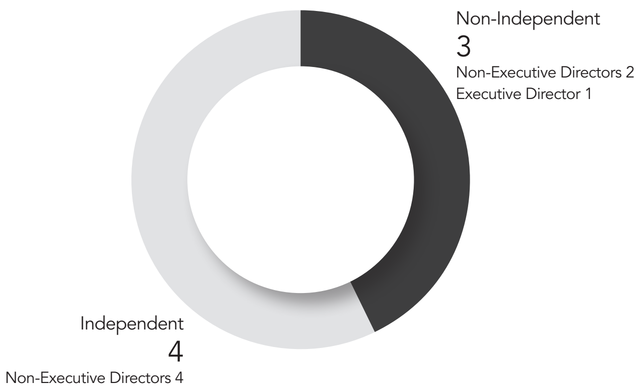
Board Diversity

The Board embraces diversity and formally adopted a Board Diversity Policy in 2019 which has been fully implemented. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills, knowledge and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender.

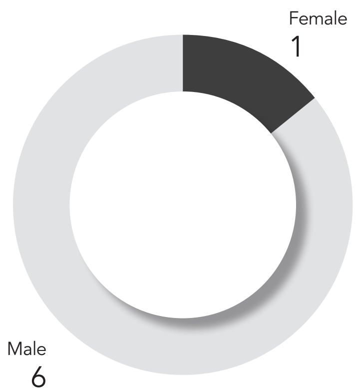
The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations. Diversity enhances the Board's decision-making capability and ensures that the Trustee-Manager has the opportunity to benefit from all available talent and perspectives.

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 seven members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in governance, real estate, accounting and finance, legal, business, management and strategic planning. The 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.

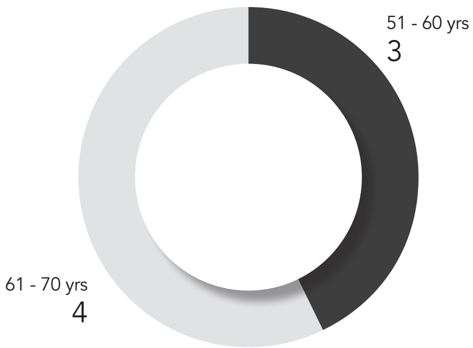
Board Independence



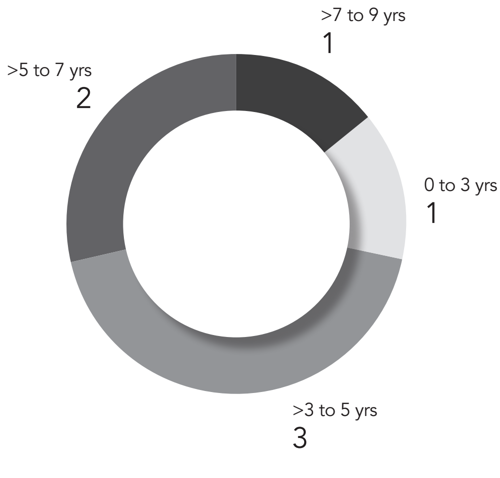
Board Gender Diversity



Age Spread



Tenure Mix



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 Mr Chiang Chie Foo, whereas the CEO is Mr Sanjeev Dasgupta. 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 a-iTrust, as well as the issues and the competition that a-iTrust faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for CEO on strategic and significant operational matters.

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

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

The separation of the roles and responsibilities of the Chairman and the CEO, which is established and set out in writing by the Board, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the a-iTrust 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.

The Board has approved the appointment of a Lead Independent Director, on the basis that such Lead Independent Director would provide leadership for the other independent directors only in the limited situation(s) where the Chairman is conflicted. This was done with a view to further strengthen the independence of the Board. The Lead Independent Director is Mr Alan Rupert Nisbet.

The Lead Independent Director is available to Unitholders where they have concerns and where contact through the normal channels of communication with the Chairman or Management is inappropriate or inadequate.

PRINCIPLE 4: BOARD MEMBERSHIP

With effect from 1 February 2020, the Nominating Committee and a Remuneration Committee (NRC) which had comprised Mr Chiang Chie Foo, Mr Alan Rupert Nisbet and Mr Manohar Khiatani, had been dissolved by the Trustee-Manager. While this is a variation from Provisions 4.1, 4.2, 4.4, 4.5, 5.1, 6.1, 6.2 and 6.3 of the Code which requires a NRC to be set up, or assumes that such committees have been set up, the dissolution of the NRC is to streamline the functions performed by the NRC. This approach is also consistent with Practice Note 4.2 issued by the SGX-ST which provides that Rule 210(5)(e) of the Listing Manual requiring, among other things, an issuer to establish one or more committees to perform the functions of a nominating committee and a remuneration committee, does not apply to a Business Trust (BT) so long as the BT complies with the BTA and the regulations made thereunder that the trustee-manager acts in the best interests of the unitholders as a whole and gives priority to unitholders' interests over its own interests in the event of a conflict, as to the board composition requirements of the trustee-manager, as to the establishment of an audit committee and as to the independence requirements of a director of a trustee-manager.

Additionally, the dissolution of the NRC is not expected to have any adverse effect on the effective functioning of the Board as prior to the dissolution of the NRC, recommendations of the NRC are in all cases put up to the Board for consideration and approval. Accordingly, the Board will be undertaking all the responsibilities of the NRC. The Board is able to undertake the functions of the NRC because:

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

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

For the above reasons, a-iTrust's practices are consistent with Principle 4, 5 and 6 of the Code. All disclosures in this Report will be as at 12 February 2020 after taking into account the changes highlighted above unless otherwise stated.

The Board's scope of duties and responsibilities include:

(a) reviewing the structure, size and composition of the Board, the succession leadership development plans for Directors (in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel);
(b) reviewing the process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
(c) reviewing the training and professional development programmes for the Board and its Directors;
(d) reviewing the appointment and re-appointment of Directors;
(e) considering annually and, as and when circumstances require, if a Director is independent;
(f) recommending the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board;
(g) overseeing the establishment of the appropriate remuneration policy and framework for the Trustee-Manager;
(h) providing oversight on the framework of remuneration for the Board and all the key executives;
(i) reviewing and endorsing the specific remuneration package for each Director and all executives including the CEO (for the avoidance of doubt, no member of the Board will be involved in any decision of the Board relating to his/her own remuneration);
(j) reviewing and approving proposals on the remuneration policy and framework of the Trustee-Manager; and
(k) considering all aspects of remuneration, including termination terms, to ensure they are fair.

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

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

New Directors or existing Directors are appointed by way of a Board resolution after the Board recommends or endorses their appointments or re-appointments.

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 a-iTrust Group's business.

In FY2019, no alternate director to any ID was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Trustee-Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to IDs.

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 Trustee-Manager. In this regard, Directors are required to report to the Board any changes in their other appointments.

The Board has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple Boards and/or have other principal commitments and will decide if a Director is able to and has been adequately carrying out his or her duties as a Director.

In determining whether to re-nominate a Director, the Board considers the following:

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

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

The Directors' listed company directorships and principal commitments are disclosed on pages 21 to 23 of this Annual Report and their attendance record for FY2019 is set out on page 119 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the a-iTrust Group. For FY2019, the Directors achieved high attendance rates and they have contributed positively to discussions at Board and Board Committee meetings, based on which the Board has determined that each Director has been adequately carrying out his or her duties as a Director of the Trustee-Manager.

PRINCIPLE 5: BOARD PERFORMANCE

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

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

As part of the Trustee-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, questionnaires were sent to the Directors, and the results were aggregated and presented to the Board. The Board evaluates the responses and provides its comments and recommendations on any changes that should be made to help the Board discharge its duties more effectively.

For FY2019, no external facilitator has facilitated the evaluation of the effectiveness of the Board, the Board Committees and the individual Directors.

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. The results of the survey were considered by the Board and follow up action is taken where necessary with a view to enhance the effectiveness of the Board in the discharge of its duties and responsibilities. For FY2019, the outcome of the evaluation was satisfactory with positive ratings received for all the attributes in 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 FY2019, the outcome of the evaluation was satisfactory with positive ratings received for all the attributes in 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.

Each Director of the Board has objectively discharged his or her duties and responsibilities at all times as fiduciaries in the interests of the Trustee-Manager and a-iTrust.

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 a-iTrust in the appropriate direction, as well as the long-term performance of a-iTrust 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 Trustee-Manager does not have a 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 Trustee-Manager does not manage any other BT and in general, BTs (including a-iTrust) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a remuneration committee and the Board would be able to give adequate attention to such issues relating to remuneration matters; and

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

In undertaking this function, the Board oversees the design and implementation of the remuneration policy and the specific remuneration packages for each Director and for key management personnel including the CEO. No Director, however, will be 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 a-iTrust Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance. Pay-for-performance is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. The Board has access to independent remuneration consultants for advice on remuneration matters as required.

In terms of the process adopted by the Trustee-Manager for developing and reviewing policies on remuneration and determining the remuneration packages for Directors and key management personnel, the Trustee-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 CapitaLand as a point of reference. The Trustee-Manager is a subsidiary of CapitaLand which also holds a significant stake in a-iTrust. The association with the CapitaLand group puts the Trustee-Manager in a better position to attract and retain better qualified management talent; it provides an intangible benefit to the Trustee-Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

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

Remuneration Policy for Key Management Personnel

The remuneration framework and policy is designed to support the implementation of the a-iTrust Group's strategy and deliver sustainable Unitholder value. The principles governing the Trustee-Manager's key management personnel remuneration policy are as follows:

A. 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

B. 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

C. Fair & Appropriate

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

D. Effective Implementation

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

Remuneration for Key Management Personnel

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

A. Fixed Components

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

B. Variable Cash Components

The variable cash components comprise 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 a-iTrust Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of Financial, Execution, Future Growth and Sustainability; these are cascaded down throughout the organisation, thereby creating alignment across the a-iTrust Group.

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

In determining the pay-out 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 pay-out for the Trustee-Manager.

C. Unit-based Components

Unit awards were granted in FY2019 pursuant to the Ascendas Property Fund Trustee Pte Ltd Performance Unit Plan (PUP) and the Ascendas Property Fund Trustee Pte Ltd Restricted Unit Plan (RUP) (together, the "Unit Plans"), approved by the Board. The Trustee-Manager believes that the Unit-based Component of the remuneration for key management personnel serves to align the interests of such key management personnel with that of Unitholders and a-iTrust's long-term growth and value.

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

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

Ascendas Property Fund Trustee Pte Ltd Performance Unit Plan

In FY2019, the Board granted an award which is conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold target is achieved. An initial number of Units (PUP baseline award) is allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of a-iTrust Group measured by the percentile ranking of a-iTrust Group's TUR against 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 a-iTrust Group's performance against the pre-determined target over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Unit will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the PUP baseline award can be delivered up to a maximum of 200% of the PUP baseline award. The recipient will receive fully paid Units at no cost.

In respect of the Unit award granted under the PUP in FY2019, the qualifying performance period has not ended as at the date of this Report.

Ascendas Property Fund Trustee Pte Ltd Restricted Unit Plan

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

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

(a) Net property income of the a-iTrust Group; and

(b) Distribution per Unit of the a-iTrust 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 a-iTrust Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released progressively over a vesting period of three years. No Unit will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the RUP baseline award can be delivered up to a maximum of 150% of the RUP baseline award. Recipients will receive fully paid Units at no cost. This ensures alignment between remuneration and sustaining business performance in the longer term.

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

D. Employee Benefits

The benefits provided are comparable with local market practices.

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

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO and other key management personnel of the Trustee-Manager in percentage terms are set out in the Key Management Personnel's Remuneration Table on page 120 of this Annual Report.

Provision 8.1 of the Code requires an issuer to disclose the names, amounts and breakdown of remuneration of the CEO and at least the top five key management personnel (who are not also Directors or the CEO) of the Trustee-Manager in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel. The Trustee-Manager has decided (a) to disclose the CEO's remuneration in bands of S$250,000 (instead of on a quantum basis), and (b) not to disclose the remuneration of the other key management personnel of the Trustee-Manager (whether in bands of S$250,000 or otherwise). In arriving at its decision, it took into account the commercial sensitivity and confidential nature of remuneration matters. The Trustee-Manager is of the view that disclosure in such manner is not prejudicial to the interests of Unitholders as the indicative range for the CEO's remuneration, as well as the total remuneration for the CEO and other key management personnel of the Trustee-Manager, is made known to Unitholders, and sufficient information is provided on the Trustee-Manager's remuneration framework to enable Unitholders to understand the link between a-iTrust Group's performance and the remuneration of the CEO and other key management personnel. In addition, the remuneration of the CEO and other key management personnel of the Trustee-Manager is paid out of the fees that the Trustee-Manager receives (of which the quantum and basis have been disclosed), rather than borne by a-iTrust.

The Trustee-Manager outsources various other services to a wholly owned subsidiary of CapitaLand (CapitaLand Subsidiary). CapitaLand Subsidiary provides the services through its employees and employees of the CapitaLand group (together, Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of a-iTrust 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 CapitaLand Subsidiary and the CapitaLand group, is not included as part of the disclosure of remuneration of key management personnel of the Trustee-Manager in this Report.

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

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

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

Quantitative Remuneration Disclosure under the Alternate Investment Fund Managers Directive (AIFMD)

The Trustee-Manager is also required under the AIFMD to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Trustee-Manager; (b) staff who are senior members of Management; and (c) staff who have the ability to materially affect the risk profile of a-iTrust.

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

The aggregate amount of remuneration awarded by the Trustee-Manager to its staff (including CEO and non-executive Directors) in respect of FY2019 was approximately S$4.28 million[2]. This figure comprised fixed pay of S$2.19 million[2], variable pay of S$1.87 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S$0.22 million. There was a total of 26 beneficiaries of the remuneration described above. In respect of FY2019, the aggregate amount of remuneration awarded by the Trustee-Manager to its senior members of Management (who are also members of staff whose actions have a material impact on the risk profile of a-iTrust) was approximately S$2.45 million, comprising 4 individuals identified having considered, among others, their roles and decision making powers.

2 Includes S$0.12 million Non-Executive Director fees which were waived.

Remuneration for Non-Executive Directors

The non-executive Directors' fees for FY2019 are set out in the Non-Executive Directors' Fees Table on page 120 of this Annual Report. The CEO who is an executive Director is remunerated as part of the key management personnel of the Trustee-Manager and does not receive any Director's fees. The Director's fees for the non-executive Directors who are employees of the CapitaLand group were waived.

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

The compensation package is benchmarked against market, taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of the a-iTrust 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 Trustee-Manager.

For FY2019, remuneration of the non-executive Directors is paid in cash. No compensation is payable to any non-executive Director in the form of Units or options in Units or pursuant to any bonus or profit-sharing plan or any other compensation relating to any profit-linked agreement or arrangement, under their service contracts.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The key risks and internal controls of a-iTrust have been identified by the Board working with Management and with assistance from Deloitte and Touche Enterprise Risk Services Pte Ltd (Deloitte), the appointed internal auditor. The risks are categorised under strategic, financial, operational, compliance and information technology (IT) risk areas. The Trustee-Manager maintains an adequate and effective system of risk management and internal controls (including strategic, financial, operational, compliance and IT risk controls) to safeguard Unitholders' interests and the a-iTrust Group's assets. The Board's approach to risk management and the identified financial risk factors are outlined in Note 30 of the Financial Statements of a-iTrust.

The Board has overall responsibility for the governance of risk and oversees the Trustee-Manager in the design, implementation and internal control systems and determines the nature and extent of the significant risks which a-iTrust is willing to take in achieving its strategic objectives and value creation. The ARC assists the Board in examining the adequacy and effectiveness of a-iTrust's risk management policies and ensures that Management maintains a sound system of risk management and internal controls. The ARC also reviews and guides Management in the formulation of risk policies and processes to effectively identify, evaluate and manage any material risks and reports to the Board material findings and makes recommendations in respect of any material risk issues.

The Board regularly reviews the business risks of a-iTrust and examines liability management and risks including those relating to the India property sector. The overall framework established by the Board to enhance the soundness of a-iTrust's financial reporting, risk management, compliance and internal control systems includes:

- formulation and implementation of an Enterprise Risk Management (ERM) Framework which comprises a risk register and related internal controls to mitigate such risks, which is regularly reviewed by the Board;
- audits performed by an internal auditor in accordance with the audit plan;

- process improvement initiatives undertaken by the asset companies;
- implementation of formal policies and procedures relating to the delegation of authority;
- involvement of experienced and suitably qualified employees who take responsibility for important business functions; and
- segregation of key functions which may give rise to possible errors or irregularities.

a-iTrust also has in place, insurance coverage and a business continuity plan.

The ERM Framework adopted by the Trustee-Manager 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.

The adequacy and effectiveness of the systems of risk management and internal controls are reviewed regularly by Management, the ARC and the Board.

More information on the Trustee-Manager's ERM Framework including the material risks identified can be found in the ERM section on pages 42 to 43 of this Annual Report.

In the course of their statutory audit, the external auditor had considered the risk assessment conducted by the internal auditor. Any material non-compliance and internal control weakness, together with the internal auditor's recommendations to address them, are reported to the ARC. The ARC also reviews the adequacy and effectiveness of the measures taken by the Trustee-Manager on the recommendations made by the internal auditor in this respect.

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

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

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

The CEO and the CFO have obtained similar assurances from the respective risk and control owners.

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

The Board recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board affirms its overall responsibility for systems of internal controls and risk management of a-iTrust, and for reviewing the adequacy and integrity of those systems on an annual basis. The internal control and risk management functions are performed by key executives of the Trustee-Manager with oversight by the ARC.

The internal control systems include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practice, and the management of business risks. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board also notes that all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

Based on the system of risk management and internal controls established and maintained by the Trustee-Manager, work performed by the internal and external auditors, reviews performed by the Management, various Board Committees and the Board, and the assurance from the CEO and CFO of the Trustee-Manager, the Board is of the opinion that the system of risk management and internal controls addressing material risks (including financial, operational, compliance and IT risks) of a-iTrust and its subsidiaries were adequate and effective as at 31 December 2019 in addressing material risks. The ARC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the ARC in the review for FY2019.

PRINCIPLE 10: AUDIT COMMITTEE

As at 12 February 2020, the ARC comprises three non-executive Directors, all of whom (including the Chairman of the ARC) are IDs. The ARC comprises Mr Alan Rupert Nisbet as Chairman, Mr T.V. Mohandas Pai, and Mrs Zia Jaydev Mody. The ARC Chairman and the Chairman of the Board are held by separate individuals.

The Board is of the view that the members of the ARC bring with them invaluable current and relevant managerial and professional expertise and experience in the areas of accounting, financial management and legal and hence, are appropriately qualified to discharge their responsibilities. Mr Alan Rupert Nisbet and Mr T.V. Mohandas Pai have extensive accounting and related financial management expertise and experience while Mrs Zia Jaydev Mody is a qualified lawyer with considerable experience and expertise.

The ARC does not comprise former partners of a-iTrust's incumbent external auditor, 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 executive officer to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the ARC. The ARC has reasonable resources to enable it to discharge its functions properly.

The core functions and the responsibilities of the ARC, as set out in the ARC's written terms of reference, include:

(a) reviewing the internal and external auditors' findings on internal controls;

(b) reviewing the quality and reliability of information prepared for inclusion in financial reports;

(c) responsibility for the nomination of external auditor and reviewing the adequacy of existing audits in respect of cost, scope and performance;

(d) reviewing the quarterly and annual financial statements before submission to the Board for approval, including the Interested Person Transactions (IPT);

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

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

(g) reviewing the assurances from the CEO and CFO on the financial records and financial statements of the a-iTrust Group;

(h) 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 and terms of engagement of the external auditors;

(i) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

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

Ernst & Young LLP was appointed as the external auditor for a-iTrust and its Singapore incorporated subsidiaries and significant associated companies. Unitholders' approval was obtained for their re-appointment at the last AGM on 8 July 2019. Ernst & Young LLP will hold office until the conclusion of the coming AGM. The ARC has assessed the performance of the external auditor based on factors such as the performance and quality of their audit and the independence of the auditor.

The total audit and non-audit fees for FY2019 paid or payable to Ernst & Young LLP amounted to S$482,000, comprising audit fees of S$335,000 and non-audit fees of S$147,000. The ARC undertook a review of the independence of the external auditor, taking into consideration, among others, the non-audit services provided, a-iTrust's relationships with the external auditor in FY2019, as well as the processes and safeguards adopted by the Trustee-Manager and Ernst and Young LLP relating to audit independence. Based on the review, the ARC is satisfied that the independence of the external auditor is not affected by the provision of the non-audit services. The external auditor has also provided confirmation of its independence to the ARC. On the basis of the above, the Board has concurred with the ARC's recommendation of the re-appointment of Ernst and Young LLP as the independent external auditor of a-iTrust and its subsidiaries at the coming AGM of the Unitholders.

The ARC met three times in FY2019. 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 FY2019, the ARC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Trustee-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 auditor, and with the internal auditor, in each case without the presence of Management, at least once a year. In FY2019, the ARC met with the external auditor and internal auditor once, 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.

Key Audit Matters

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

Key audit matters	How these issues were addressed by the ARC
1. Valuation of investment properties and investment properties under construction	ARC has reviewed the appropriateness of the valuation techniques as well as the other key estimates and assumption adopted in the valuation prepared by the independent professional valuers, Savills Property Services (India) Private Limited. ARC also assessed the reasonableness of the movements in fair value of the properties by taking into consideration the comparability, industry development and market factors used by the valuers.
2. Taxation matters	ARC has reviewed the status of the open tax issues with uncertain positions and adequacy of the Group's accounting treatment and disclosures in the financial statements, inclusive of contingent liabilities disclosure and the deferred tax together with the assumption used.

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

The Trustee-Manager confirms, on behalf of a-iTrust, that a-iTrust complies with Rules 712 and 715 of the Listing Manual as Ernst & Young LLP is registered with the Accounting and Corporate Regulatory Authority.

Internal Audit

The internal auditor assists the ARC in ensuring that Management maintains a sound system of internal controls by regular monitoring of key controls and procedures and ensuring their continued effectiveness. In the financial year under review, the internal audit function of a-iTrust was carried out by Deloitte.

The ARC ensures that the internal audit function is adequately resourced and has appropriate standing with the Trustee-Manager and decides on the appointment, termination and the remuneration of the internal auditor. Staffed by qualified professionals, the internal auditor has unrestricted access to the ARC and all the Trustee-Manager's documents, records, properties and officers and has appropriate standing with the Trustee-Manager. The primary reporting line of the internal auditor is to the ARC and it is guided by the Standards for the Professional Practice of Internal Auditing. During the financial year under review, the internal auditor adopted a risk-based auditing approach covering financial, operational and compliance controls. Internal audits were carried out on all subsidiaries of a-iTrust. Internal audit reports were submitted to the ARC for review and the summary of findings and recommendations were discussed at the ARC meetings.

The ARC has reviewed the effectiveness of the internal audit function for the financial year under review and is satisfied of its adequacy and independence from the activities it audits. The ARC is also satisfied that the internal audit function performed by Deloitte is adequately resourced, effective and independent.

UNITHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11, 12 AND 13: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS, ENGAGEMENT WITH SHAREHOLDERS AND MANAGING STAKEHOLDER RELATIONSHIPS

The Trustee-Manager is committed to open and regular communication with the investment community, in particular, with its Unitholders, and to treating all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate shareholder, 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 a-iTrust.

a-iTrust supports the principle of encouraging Unitholder participation and voting at general meetings. a-iTrust's Annual Report is provided to Unitholders within 120 days from the end of a-iTrust'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 also advertised in the press and 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 general meetings, Management makes a presentation to Unitholders to update them on a-iTrust'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 a-iTrust. Directors (including the chairman of the respective Board Committees), key management personnel and the external auditor of a-iTrust, are present for the entire duration of general meetings to address any queries that the Unitholders may have including queries about the conduct of a-iTrust's external audit and the preparation and content of the external auditor's report. Directors and Management also interact with Unitholders after the general meetings.

A record of the Directors' attendance at the general meetings in FY2019 can be found in their meeting attendance records as set out on page 119 of this Annual Report.

To safeguard Unitholder interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Trustee-Manager explains the reasons and material implications in the notice of the general meeting or any accompanying circular issued to Unitholders.

To ensure transparency in the voting process and better reflect Unitholders' interests, a-iTrust 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 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. a-iTrust's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail or email). We may consider implementing the relevant amendments to a-iTrust's Trust Deed if it can be ensured that the integrity of information and the authentication of the identity of Unitholders through the internet are not compromised, and after the implementation of legislative changes to recognise remote voting. The Trustee-Manager is of the view that despite the variation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting a-iTrust even when they are not in attendance at general meetings and that this is consistent with Principle 11. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

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

Distribution Policy

a-iTrust's distribution policy is to distribute at least 90.0% of its distributable income with the actual level of distribution to be determined at the Trustee-Manager's discretion.

Timely Disclosure of Information

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

For FY2019, the Trustee-Manager provides Unitholders with quarterly and annual financial statements within the relevant periods prescribed by the Listing Manual. These quarterly and annual financial statements are reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. Each announcement of quarterly and annual financial statements is accompanied by a news release issued to the media. The news release is also made available on SGXNet. In presenting the quarterly and annual financial statements to Unitholders, the Board aims to provide Unitholders with a balanced, clear and comprehensible assessment of a-iTrust and the a-iTrust Group's performance, position and prospects.

In addition to the release of its financial statements, the Trustee-Manager also keeps a-iTrust's Unitholders, stakeholders and analysts informed of the performance and changes in the a-iTrust Group or its business which is likely to 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 statutory and 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.

The Trustee-Manager has corporate disclosure controls and procedures to ensure that a-iTrust 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 Trustee-Manager believes in conducting the business of a-iTrust in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for a-iTrust and the Trustee-Manager's accountability to Unitholders for a-iTrust'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 Trustee-Manager.

Investor Relations

Investor relations matters are handled by the Management. The Management meets with analysts and institutional investors regularly to promote a-iTrust, communicate its business performance and developments, and gather views and feedback. The Management participates in local and overseas conferences organised by securities houses and banks. The Management also addresses queries raised by retail and institutional Unitholders via phone calls, emails or the website. Such regular interactions allow the Management to consider feedback from the investment community before formulating capital management strategies and Unitholders' resolutions.

The Trustee-Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place an Investor Relations Policy to promote regular, effective and fair communications with Unitholders. The Investor Relations Policy sets out the mechanism through which Unitholders may contact the Trustee-Manager with questions and through which the Trustee-Manager may respond to such questions. Unitholders are welcomed to engage with the Trustee-Manager beyond general meetings and they may do so via phone calls or emails.

More information on the Company's investor relations efforts can be found in the Investor Relations section on pages 44 to 45 of this Annual Report.

Managing Stakeholder Relationships

The Board's role includes considering sustainability as part of its strategic formulation. The Trustee-Manager adopts an inclusive approach for a-iTrust by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of a-iTrust are served. The Trustee-Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in a-iTrust's business strategies and operations. The Trustee-Manager has arrangements in place to identify and engage with material stakeholder groups and to manage a-iTrust's relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information to facilitate communication and engagement with a-iTrust's stakeholders. More information on key engagement modes for material stakeholder groups can be found in the Sustainability Report prepared in accordance with the GRI standards on page 61 of this Annual Report.

ADDITIONAL INFORMATION

Investment Committee

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

As at 12 February 2020, the IC comprises four Directors, two of whom are independent Directors. The four members on the IC are Mr Manohar Khiatani (IC Chairman), Mr Jonathan Yap Neng Tong, Mr T. V. Mohandas Pai and Mrs Zia Jaydev Mody.

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 reviewing proposals on and, where it considers appropriate, approving proposals relating to investments and divestments of a-iTrust within the authority or limits approved from time to time by the Board.

For FY2019, the IC has met to approve the business plans of a-iTrust for the upcoming financial year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

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

Where matters concerning a-iTrust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of a-iTrust with an Interested Person of the Trustee-Manager, the Trustee-Manager is required to ensure that such transactions are conducted at arm's length in accordance with all applicable requirements of the Listing Manual relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager, the Trustee-Manager will review the contract to ensure that it complies with the requirements relating to IPT in the Listing Manual (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST.

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

In addition, the following procedures have been undertaken:

(i) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the Trust's net tangible assets will be subject to review by the ARC at regular intervals;

(ii) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% of a-iTrust's net tangible assets but below 5.0% of a-iTrust's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on arm's length commercial terms and consistent with similar types of transactions made by the Trustee-Manager with third parties which are unrelated to the Trustee-Manager; and

(iii) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of a-iTrust's net tangible assets will be reviewed and approved by the ARC prior to such transactions being entered into, which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Furthermore, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Trustee-Manager maintains a register to record all IPT (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by the Trust. The Trustee-Manager incorporates into its internal audit plan a review of all IPT entered into by the Trust. The ARC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor IPT have been complied with.

The Trustee-Manager discloses in a-iTrust's Annual Report the aggregate value of IPT conducted during the relevant financial year.

Dealing with Conflicts of Interest

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

(i) the Trustee-Manager will be a dedicated manager to a-iTrust and will not manage any other business trust or be involved in any other real estate or property business;

(ii) all executive officers are employed by the Trustee-Manager;

(iii) the entry into any IPT above S$100,000 must be reviewed by the ARC. The review procedures for IPT are set out above;

(iv) in respect of matters in which CapitaLand and/or its subsidiaries has a direct or indirect interest, any nominees appointed by CapitaLand or any of its subsidiaries to the Board shall abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors of the Trustee-Manager and must exclude the representatives or nominees of CapitaLand and/or its subsidiaries; and

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

Dealings in Securities

For FY2019, a-iTrust has adopted a trading policy based on SGX-ST's best practices on dealings in securities. Directors and employees of the Trustee-Manager and relevant employees of the Trustee-Manager's related corporations are reminded that dealing in the Units is prohibited:

- during the period commencing one month before the announcement of the a-iTrust's annual financial results and two weeks before the announcement of a-iTrust's quarterly financial results, and ending on the date of announcement of the relevant results; and

- at any time while in possession of price sensitive information.

The policy also discourages trading by Directors and employees of the Trustee-Manager and relevant employees of the Trustee-Manager's related corporations on short-term considerations.

Each Director of the Trustee-Manager is required to give notice in writing to the Trustee-Manager of his or her acquisition of Units or changes to the number of Units held in his or her interest, within two business days after such Director is appointed or upon the occurrence of any of the aforesaid events.

All dealings in Units by Directors will be announced via the SGXNet and the announcement will be posted on the SGX-ST's website www.sgx.com and on a-iTrust's website www.a-itrust.com.

In addition, the Trustee-Manager will announce on the SGX-ST the particulars of its holdings in the Units and any changes thereto, by the end of the business day following the day on which it acquires or disposes of any Units.

Whistle-Blowing Policy

The Trustee-Manager adopts a zero tolerance approach towards fraud, bribery, corruption, money laundering and financing of terrorism. A whistle-blowing policy and other procedures are put in place to provide the Trustee-Manager's employees and parties who have dealings with the Trustee-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 the whistle-blowing 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.

Composition of Board Committees in FY2019

Board Members	Audit and Risk Committee	Nominating and Remuneration Committee	Investment Committee
Mr Chiang Chie Foo		C	
Mr Manohar Khiatani		M	C
Mr Alan Rupert Nisbet	C	M	
Mr T.V. Mohandas Pai	M		M
Mr Girija Prasad Pande[1]			M
Mr Ng Eng Leng[2]	M		
Mrs Zia Jaydev Mody[3]	M		M
Mr Jonathan Yap Neng Tong			M

Denotes: C – Chairman M – Member

Notes:
1 Retired as a Director and a Member of the IC on 31 July 2019.
2 Retired as a Director and a Member of the ARC on 31 July 2019.
3 Appointed as a Member of the IC on 1 August 2019.

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

	Board[2]	Audit and Risk Committee	Nominating & Remuneration Committee[3]	Investment Committee	AGM[4]
No. of Meetings Held	4	3	3	4	1
Board Members					
Mr Chiang Chie Foo	100%	–	100%	–	100%
Mr Manohar Khiatani	100%	–	100%	100%	100%
Mr Sanjeev Dasgupta	100%	–	–	–	100%
Mr Alan Rupert Nisbet	100%	100%	100%	–	100%
Mr T.V. Mohandas Pai	100%	100%	–	100%	100%
Mr Girija Prasad Pande[5]	100%	–	–	50%	100%
Mr Ng Eng Leng[6]	50%	50%	–	–	–
Mrs Zia Jaydev Mody[7]	100%	100%	–	100%	–
Mr Jonathan Yap Neng Tong	100%	–	–	100%	100%

Notes:
1 All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
2 Includes a Board Strategy Meeting.
3 The Nominating and Remuneration Committee has been dissolved with effect from 1 February 2020.
4 Provision 11.3 of the Code requires all directors to attend general meetings of Unitholders. For FY2019, Mr Ng Eng Leng and Mrs Zia Jaydev Mody were unable to attend the annual general meeting due to conflicting schedules. The Trustee-Manager is of the view that despite the variation from Provision 11.3 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting a-iTrust through the rest of the Board in attendance. Additionally, Directors not in attendance will be updated on the proceedings of the annual general meeting through Board meetings and the minutes and recording of the annual general meeting. This is consistent with Principle 11.
5 Retired as a Director and a Member of the IC on 31 July 2019.
6 Retired as a Director and a Member of the ARC on 31 July 2019.
7 Appointed as a Member of the IC on 1 August 2019.

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

	Salary and employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[2]	Award of Units[3]	Total
CEO				
Mr Sanjeev Dasgupta	28%	28%	44%	100%
Remuneration Band for CEO : Above S$1,000,000 to S$1,250,000				
Key Management Personnel (excluding CEO)				
Mr Tan Choon Siang Mr Rohith Bhandary (9 May to 31 Dec 2019) Mr Sumit Gera	47%	40%	13%	100%

Aggregated of the Total Remuneration for Key Management Personnel (including CEO): S$2,447,202

Notes:
1 Key management personnel's remuneration for the 9-month financial period from 1 April to 31 December 2019.
2 The amounts disclosed include bonuses earned which have been accrued for in FY2019.
3 The proportion of value of the Unit awards is based on the fair value of the Units comprising of the contingent awards under the Ascendas Property Fund Trustee Pte Ltd Restricted Unit Plan (RUP) and the Ascendas Property Fund Trustee Pte Ltd Performance Unit Plan (PUP) at the time of grant in FY2019. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.

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

Non-Executive Directors	Total (S$)[2]
Mr Chiang Chie Foo	94,000
Mr Manohar Khiatani[3]	73,500
Mr Alan Rupert Nisbet	80,000
Mr T.V. Mohandas Pai	67,500
Mr Girija Prasad Pande[4]	22,400
Mr Ng Eng Leng[5]	20,400
Mrs Zia Jaydev Mody[6]	57,500
Mr Jonathan Yap Neng Tong[3]	50,250

Notes:
1 Directors' fees for the 9-month financial period from 1 April 2019 to 31 December 2019
2 Inclusive of attendance fees of (a) S$1,000 per meeting attendance (in person, or via teleconferencing or video conferencing), (b) ad hoc meeting with Management of S$500 per meeting attendance and (c) an additional of S$500 per day for overseas attendance allowance. Directors' fees are subject to the approval of the Trustee-Manager's shareholder.
3 The Directors' fees for Mr Manohar Khiatani and Mr Jonathan Yap Neng Tong payable to their employers in the CapitaLand group were waived.
4 Retired as a Director and a Member of the IC on 31 July 2019.
5 Retired as a Director and a Member of the ARC on 31 July 2019.
6 Appointed as a Member of the IC on 1 August 2019.

TRUST FINANCIAL STATEMENTS

TRUSTEE-MANAGER'S STATEMENT

For the financial period ended 31 December 2019

The Directors of Ascendas Property Fund Trustee Pte. Ltd., the trustee-manager of Ascendas India Trust (the "Trustee-Manager"), are pleased to present their statement to the Unitholders of Ascendas India Trust (the "Trust") and its subsidiaries (together referred to as the "Group"), together with the audited financial statements of the Group. The audited financial statements comprise the balance sheets of the Group and the Trust as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group for the period from 1 April 2019 to 31 December 2019, and a summary of significant accounting policies and other explanatory information.

In the opinion of the Directors,

(i) the accompanying balance sheets of the Group and the Trust, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows as set out on pages 142 to 216 are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2019, and of the financial performance, changes in unitholders' funds and cash flows of the Group, for the financial period ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

In accordance with Section 86(2) of the Singapore Business Trusts Act, we further certify:

(i) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed;

(ii) the interested person transactions entered into by the Group during the financial period ended 31 December 2019 are not detrimental to the interests of all the Unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(iii) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

DIRECTORS

The Directors of the Trustee-Manager in office at the date of this statement are:

Mr Chiang Chie Foo	(Chairman)
Mr Manohar Khiatani	(Deputy Chairman)
Mr Sanjeev Dasgupta	
Mr Alan Rupert Nisbet	
Mr T.V. Mohandas Pai	
Mrs Zia Jaydev Mody	
Mr Jonathan Yap Neng Tong	

TRUSTEE-MANAGER'S STATEMENT

For the financial period ended 31 December 2019

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial period was the Trustee-Manager a party to any arrangement whose objective was to enable any or all Directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, the Trust.

DIRECTORS' INTERESTS IN UNITS AND DEBENTURES

According to the register of Directors' unitholdings and for the purpose of Section 76 of the Singapore Business Trusts Act, only those Directors as shown below hold units in or debentures, of the Trust:

	Units held as at			
	1 April 2019		**31 December 2019**	
Name of Director	Direct	Deemed	**Direct**	**Deemed**
Mr Jonathan Yap Neng Tong	500,000	150,000	**500,000**	**150,000**
Contingent award of Performance units[1] to be delivered after 2021				
Mr Sanjeev Dasgupta (143,763 units)	–	–	**0 to 287,526**[3]	**–**
Contingent award of Restricted units[2] to be delivered after 2019				
Mr Sanjeev Dasgupta (215,644 units)	–	–	**0 to 323,466**[4,5]	**–**

There was no change in any of the above-mentioned interests in the Trust between the end of the financial period and 21 January 2020.

Except as disclosed in this report, no Director who held office at the end of the financial period had interests in units, unit options, warrants or debentures of the Trust, either at the beginning of the financial period, or at the end of the financial period.

Notes:
1 Performance units are units under awards pursuant to the Ascendas Property Fund Trustee Pte Ltd Performance Unit Plan 2019.
2 Restricted units are units under awards pursuant to the Ascendas Property Fund Trustee Pte Ltd Restricted Unit Plan 2019.
3 The final number of units to be released will depend on the achievement of pre-determined targets over a three-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the baseline award could be delivered up to a maximum of 200% of the baseline award.
4 The final number of units to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No unit will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the baseline award could be delivered up to a maximum of 150% of the baseline award.
5 An additional number of units of a total value equal to the value of the accumulated distribution which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the Ascendas Properyty Fund Trustee Pte Ltd Restricted Unit Plan 2019, will also be released on the final vesting.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit in the Trust by reason of a contract made by the Trustee-Manager, on behalf of the Trust or a related corporation, with the director, or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

UNIT OPTIONS

There were no options granted during the financial period to acquire unissued units in the Trust.

No units have been issued during the financial period by virtue of the exercise of options to take up unissued units in the Trust.

There were no unissued units in the Trust under option as at the end of the financial period.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") comprises three Independent Directors. The members at the end of the financial period were as follows:

Mr Alan Rupert Nisbet (Chairman)
Mr T.V. Mohandas Pai
Mrs Zia Jaydev Mody

The ARC carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations, including the following:

– Reviewing with the external and internal auditors, the audit plans and audit reports and the auditors' evaluation of the system of internal accounting controls, based on the recommendations and observations of the auditors;

– Reviewing the quarterly and annual financial statements and the external auditor's report on the annual financial statements of the Trust before submission to the Board of Directors;

– Reviewing the assistance given by the Management of the Trustee-Manager to the auditors of the Trust;

– Reviewing the policies and practices put in place by the Management of the Trustee-Manager to ensure compliance with the applicable laws, regulations, guidelines and constitutional documents of the Trust;

– Reviewing the procedures put in place to address any conflict that may arise between the interests of the Unitholders and those of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees and charges payable out of the trust property;

– Reporting to the Board of Directors of the Trustee-Manager on any inadequacies, deficiencies or matters of concern of which the ARC becomes aware or that it suspects, arising from its review of the above described;

– Reporting to the Board of Directors of the Trustee-Manager on any breach of the Singapore Business Trusts Act or any breach of the provisions of the Trust Deed of which the ARC becomes aware or that it suspects;

– Reporting to the Monetary Authority of Singapore if the ARC is of the view that the Board of Directors of the Trustee-Manager has not taken, or does not propose to take, appropriate action to deal with a matter reported by the ARC to the Board of Directors;

– Reviewing the independence and objectivity of the external auditor annually, including considering the nature and extent of non-audit services performed by the external auditor;

TRUSTEE-MANAGER'S STATEMENT

For the financial period ended 31 December 2019

AUDIT AND RISK COMMITTEE (continued)

– Meeting with the external and internal auditors, without the presence of the Management of the Trustee-Manager, at least once annually;

– Recommending the appointment, re-appointment or removal of the external or internal auditors to the Board;

– Investigating any matters within the ARC's terms of reference, whenever it deems necessary; and

– Undertaking such other functions as may be agreed to by the ARC and the Board of Directors of the Trustee-Manager.

To assess the independence of the external auditor, the ARC also reviewed the non-audit services provided by the external auditor during the financial period and the quantum of fees paid for such services. The ARC is satisfied that the independence of the external auditor was not impaired by the provision of those non-audit services. The ARC has also conducted a review of interested person transactions.

The ARC convened three meetings during the period, and attendances of members are listed in the Corporate Governance Report.

The ARC has recommended to the Board of Directors the re-appointment of Ernst & Young LLP as the independent external auditor of the Trust at the coming annual general meeting of the Unitholders.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

For and on behalf of the Trustee-Manager,
Ascendas Property Fund Trustee Pte. Ltd.

MANOHAR KHIATANI
Director

SANJEEV DASGUPTA
Director

12 February 2020

STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE TRUSTEE-MANAGER

For the financial period ended 31 December 2019

I, the Chief Executive Officer of Ascendas Property Fund Trustee Pte. Ltd., as Trustee-Manager (the "Trustee-Manager") of Ascendas India Trust (the "Trust"), in my personal capacity, certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

SANJEEV DASGUPTA
Chief Executive Officer

12 February 2020

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of the Trust pursuant to Section 87 of the Business Trusts Act, Chapter 31A of Singapore

The Board of Directors (the "Board") of Ascendas Property Fund Trustee Pte. Ltd. as trustee-manager (the "Trustee-Manager") of Ascendas India Trust ("a-iTrust") is responsible for safeguarding the interests of the Unitholders as a whole and managing the business of a-iTrust. The Trustee-Manager has general powers of management over the business and assets of a-iTrust and its main responsibility is to manage a-iTrust's assets and liabilities for the benefit of the Unitholders as a whole. In the event of a conflict between the interests of the Unitholders as a whole and its own interests, the Trustee-Manager will prioritise the interests of the Unitholders as a whole over its own interests.

The Board of the Trustee-Manager, in exercising its powers and carrying out its duties as Trustee-Manager of a-iTrust, has put in place measures to ensure that the following are met:

- the property of a-iTrust is properly accounted for and is kept distinct from any property held by the Trustee-Manager in its own capacity;
- adherence to the business scope of a-iTrust as set out in the Trust Deed;
- potential conflicts between the interests of the Trustee-Manager and the interests of the Unitholders as a whole are appropriately managed;
- interested persons transactions are transparent, properly reviewed and recorded;
- expenses and cost allocations payable to the Trustee-Manager out of the property of a-iTrust, and fees and expenses charged to a-iTrust are appropriate and in accordance with the Trust Deed; and
- compliance with the Business Trusts Act, the Listing Rules of Singapore Exchange Securities Trading Limited ("SGX-ST") and any other applicable laws and regulations.

TRUST PROPERTY PROPERLY ACCOUNTED FOR

For the purpose of ensuring that the property of a-iTrust is properly accounted for and kept distinct from the property of the Trustee-Manager held in its own capacity, the accounting records of a-iTrust are kept separate from the accounting records of the Trustee-Manager for its own matters. Separate bank accounts are maintained by the Trustee-Manager in its capacity as trustee-manager of a-iTrust and in its own capacity.

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of the Trust pursuant to Section 87 of the Business Trusts Act, Chapter 31A of Singapore

ADHERENCE TO BUSINESS SCOPE

a-iTrust is established to invest in real estate (which may be by way of direct ownership of real estate or by way of holding shares or units or interests in special purpose vehicles ("SPV")), real estate related assets and/or such other authorised investments. The Trustee-Manager shall manage the property of a-iTrust such that the principal investments of a-iTrust are in real estate. The Investment Committee ("IC") assists the Board in ensuring adherence to the business scope. The responsibilities of the IC are set out in the Corporate Governance Report.

POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager is a related company of CapitaLand Limited (the "Sponsor"). The Sponsor is a deemed controlling Unitholder of a-iTrust and there may be potential conflicts of interest between the Unitholders as a whole, the Trustee-Manager and the Sponsor.

The Trustee-Manager has instituted, amongst others, the following measures to deal with issues of conflicts of interest:

- a Board comprising a majority of Independent Directors;
- all executive officers are directly employed by the Trustee-Manager;
- all resolutions in writing of the Board in relation to matters concerning a-iTrust must be approved by a majority of the Directors;
- where applicable, strict compliance with the relevant provisions of the Code of Corporate Governance;
- in respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee directors of the Sponsor and/or its subsidiaries; and
- where matters concerning a-iTrust relate to transactions to be entered into by the Trustee-Manager for and on behalf of a-iTrust with a related party of the Trustee-Manager, the Audit and Risk Committee ("ARC") is required to review the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of a-iTrust, Unitholders as a whole or its minority Unitholders.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

(i) Property Management Agreement

The Trustee-Manager, on behalf of a-iTrust, has entered into a Master Property Management Agreement ("PMA") and individual Property Management Agreements with a related corporation, Ascendas Services (India) Pvt Ltd ("ASIPL") (the "Property Manager") for management of properties of a-iTrust for a term of 10 years, commencing from 1 August 2017 immediately following the expiry of the earlier PMA (which was entered into between the Trustee-Manager and ASIPL on 2 July 2007). The Trustee-Manager believes that the terms of these agreements, established since the listing of a-iTrust, are made on normal commercial terms and are not prejudicial to the interests of a-iTrust, the Unitholders as a whole and its minority Unitholders. The Trustee-Manager believes that the Property Manager has the necessary expertise and resources to perform property management, lease management and marketing services for a-iTrust under these agreements.

(ii) Exempted Agreements

The fees and charges payable by a-iTrust to the Trustee-Manager under the Trust Deed and to the Property Manager under the Property Management Agreements, are pursuant to interested person transactions which are deemed to have been specifically approved by the Unitholders upon subscription for the Units, to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder or the terms thereof which would adversely affect a-iTrust.

(iii) Future Interested Person Transactions

Depending on the materiality of the transaction, a-iTrust may make a public announcement of such transaction or obtain Unitholders' prior approval for such a transaction. If necessary, the Board may make a written statement in accordance with the resolution of the Board and signed by at least two directors on behalf of the Board certifying that, inter alia, such interested persons transaction is not detrimental to the interests of a-iTrust, the Unitholders as a whole or to its minority Unitholders, based on the circumstances at the time of the transaction.

The Trustee-Manager may, in the future, seek an annual general mandate from the Unitholders for recurring transactions of revenue or trading nature or those necessary for its day-to-day operations with interested persons, and all transactions would then be conducted under such general mandate for the relevant financial year. In seeking such an annual general mandate, the Trustee-Manager may appoint an independent financial adviser to render an opinion as to whether the methods or procedures for determining the prices of transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of a-iTrust, the Unitholders as a whole and its minority Unitholders.

When a-iTrust acquires assets from the Sponsor or parties related to the Sponsor in the future, the Trustee-Manager will obtain valuations from independent valuers. In any event, interested person transactions entered into by a-iTrust, depending on the materiality of such transactions, may be publicly announced or, as the case may be, approved by Unitholders, and will, in addition, be:

- reviewed and recommended by the ARC of the Trustee-Manager, which currently comprises only Independent Directors; and
- decided by the Board, which comprises a majority of Independent Directors.

INTERESTED PERSON TRANSACTIONS IN FY2019

The interested person transactions done in FY2019 are set out below: -

For the nine-month period ended 31 December 2019

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
Ascendas Property Fund Trustee Pte. Ltd.*	Trustee-Manager of a-iTrust		
– Trustee-manager fees paid/payable		11,704	–
– Acquisition fees paid/ payable		58	–
Ascendas Services (India) Pvt Ltd ("ASIPL")*	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)		
Fees received/receivable by ASIPL from a-iTrust			
– Property management services		2,844	–
– Lease management services		1,422	–
– Marketing services		2,382	–
– Project management services		583	–
– General management services		3,629	–

* Refer to "Exempted Agreements" in paragraph (ii) on page 129.

For the nine-month period ended 31 December 2019 (continued)

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
Office rental and related miscellaneous income received/receivable by a-iTrust from:			
ASIPL	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	419	–
Olam Information Services Private Limited	Tenant (an associate of a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	937	–
Ascendas Flexioffice India Private Limited	Tenant (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	334	–

For the 12-month period ended 31 March 2019

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
Ascendas Property Fund Trustee Pte Ltd*	Trustee-Manager of a-iTrust		
– Trustee-manager fees paid/ payable		13,874	–
– Acquisition fees paid/ payable		46	–
ASIPL*	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)		
Fees received/receivable by ASIPL from a-iTrust:			
– Property management services		3,415	–
– Lease management services		1,707	–
– Marketing services		3,145	–
– Project management services		464	–
– General management services		4,312	–

* Refer to "Exempted Agreements" in paragraph (ii) on page 129.

For the 12-month period ended 31 March 2019 (continued)

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
Office rental and related miscellaneous income received/receivable by a-iTrust from:			
ASIPL	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	493	–
Olam Information Services Private Limited	Tenant (an associate of a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	1,045	–
Ascendas Flexioffice India Private Limited	Tenant (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	152	–

a-iTrust has not obtained a general mandate from Unitholders for any interested person transactions.

FEES AND EXPENSES CHARGED TO A-ITRUST ARE APPROPRIATE AND IN ACCORDANCE WITH THE TRUST DEED

Fees payable to the Trustee-Manager

The Trustee-Manager is entitled under the Trust Deed to the following management fees:

- a base fee at the rate of 0.5% per annum of the value of the property of a-iTrust; and
- a performance fee at the rate of 4% per annum of the net property income of a-iTrust in the relevant financial year (calculated before accounting for the performance fee in that financial year).

Any increase in the rate or any change in the structure of the Trustee-Manager's management fees must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The base fee and the performance fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Trustee-Manager had elected to receive 50% of both base fee and performance fee in Units and the remainder in cash for FY2019.

For transactions, the Trustee-Manager is entitled to:

- 1% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) purchased by the Trustee-Manager on behalf of a-iTrust, whether directly or indirectly through a SPV, or 1% of the acquisition price of any authorised investment acquired by the Trustee-Manager on behalf of a-iTrust; and
- 0.5% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) sold or divested by the Trustee-Manager on behalf of a-iTrust, whether directly or indirectly through an SPV, or 0.5% of the sale price of any authorised investment sold or divested by the Trustee-Manager on behalf of a-iTrust.

The acquisition fee and the divestment fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect) at the then prevailing price. In accordance with the Trust Deed, when a-iTrust acquires or disposes of real estate from an interested person, the acquisition or, as the case may be, the divestment fee may be in the form of cash and/or Units issued at the prevailing market price, and, if received in the form of Units by the Trustee-Manager, such Units shall not be sold within one year from the date of issuance.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any asset of a-iTrust shall be paid by the Trustee-Manager to such persons out of the property of a-iTrust or the assets of the relevant SPV, and not out of the acquisition fee or the divestment fee received or to be received by the Trustee-Manager.

Any increase in the maximum permitted level of the Trustee-Manager's acquisition fee or disposal fee must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

Under the Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.02% per annum of the value of the property of a-iTrust.

Any increase in the maximum permitted amount or any change in the structure of the trustee fee must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The table below sets out the fees earned by the Trustee-Manager for the financial period from 1 April 2019 to 31 December 2019:

	$'000
Management Fee	7,098
Performance Fee	4,329
Trustee Fee	277
Acquisition Fee	58
Total	11,762

For FY2019, the Board met every quarter to review the expenses charged to a-iTrust against the budget approved by the Board.

The expenses charged to a-iTrust for the financial period from 1 April 2019 to 31 December 2019 are set out below:

	$'000
Travel & entertainment	307

COMPLIANCE WITH THE BUSINESS TRUSTS ACT AND LISTING RULES

The Joint Company Secretaries and Compliance Officer monitor compliance by a-iTrust with the Business Trusts Act and SGX-ST's Listing Rules.

STATEMENT ON COMPOSITION OF THE BOARD OF DIRECTORS

Under regulation 12(1) of the Business Trust Regulations 2005 ("BTR"), the Board is required to comprise:

- at least a majority of Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
- at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.

The Board consists of seven directors, four of whom are independent directors for the purposes of the BTR.

In accordance with Rule 12(8) of the BTR, the Board of Directors of Ascendas Property Fund Trustee Pte. Ltd. as Trustee-Manager of Ascendas India Trust (the "Trust" and Ascendas Property Fund Trustee Pte. Ltd. as Trustee-Manager of the Trust, the "Trustee-Manager") has determined that the following Directors are independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager:

Mr Chiang Chie Foo;
Mr Alan Rupert Nisbet;
Mr T.V. Mohandas Pai; and
Mrs Zia Jaydev Mody.

Mr Manohar Khiatani, Mr Jonathan Yap Neng Tong and Mr Sanjeev Dasgupta are considered Non-Independent Directors by the Board of Directors of the Trustee-Manager.

Mr Dasgupta is the Chief Executive Officer of the Trustee-Manager.

On 3 July 2019, Mr Khiatani stepped down from his position as Deputy Group Chief Executive Officer of Ascendas-Singbridge Pte. Ltd. ("ASB")[1] and was appointed Senior Executive Director of CapitaLand Group, and Mr Yap stepped down from his position as Group Chief Operating Officer and Group Chief Financial Officer of ASB and was appointed President, CapitaLand Financial of CapitaLand Group.

CapitaLand Limited has a 100% deemed interest in the Trustee-Manager.

1 Now known as CLA Real Estate Holdings Pte. Ltd.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF ASCENDAS INDIA TRUST

For the financial period ended 31 December 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas India Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Trust as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group for the financial period from 1 April 2019 to 31 December 2019 then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2019 and of the consolidated financial performance, changes in unitholders' funds and consolidated cash flows of the Group for the financial period from 1 April 2019 to 31 December 2019.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters (continued)

Valuation of investment properties and investment properties under construction

The Group's investment properties and investment properties under construction (collectively, the "Properties") with a carrying value of $2,060 million represent 80% of the Group's total assets as at 31 December 2019. The valuation of the Properties is significant to our audit due to their magnitude, and the valuation is complex and highly dependent on a range of estimates made by Trustee-Manager and the independent professional valuers engaged by the Trustee-Manager. The Trustee-Manager use independent professional valuers to support their determination of the fair value of the Properties annually. As disclosed in Note 31(c), the Properties are measured using significant unobservable inputs. The most significant judgements and estimates affecting the valuations are discount rates and capitalisation rates.

Amongst others, we have considered the objectivity, independence and capabilities of the independent professional valuers. We, together with our internal valuation specialists, assessed the appropriateness of the valuation techniques and property related data such as property taxes, and other key estimates used by the independent professional valuers. In addition, we evaluated the appropriateness of the data used by Management and the independent professional valuers in the estimation process by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We also assessed the reasonableness of the movements in fair value of the Properties. We also assessed the adequacy of disclosure in Note 31(c) relating to the assumptions used in the valuation process given the estimation uncertainty and sensitivity of the valuations on the Properties in Note 20 and Note 21 to the financial statements.

Taxation matters

(a) Uncertain tax positions

The Group operates in different jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These areas include disputed tax positions, transfer pricing, service tax, value added-tax on fit-out rental and property tax. This is described in more details in Note 34 of the financial statements. The tax matters are at various stages, from preliminary discussions with tax authorities through to tax tribunal or court proceedings where the matters can take many years to resolve. Significant judgement is required in assessing the tax issues and the potential exposures to determine whether, and how much, to provide in respect of tax assessments leading to uncertain tax positions. Accordingly, we have identified this as a key audit matter. At 31 December 2019, the Group has disclosed contingent liabilities arising from uncertain tax positions as set out in Note 34 to the financial statements.

We, together with internal tax specialists, read correspondences between the tax authorities and the Group, evaluated and reviewed Management's judgements in respect of estimates of tax exposures and contingencies in assessing the adequacy of the Group's tax provisions. In understanding and evaluating Management's judgements, we considered the status of recent and current tax audits and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and current period estimates and developments in the tax environment. We have also assessed the appropriateness of the Group's disclosures on the contingent liabilities in Note 34 to the financial statements.

Key Audit Matters (continued)

Taxation matters *(continued)*

(b) *Deferred tax*

As at 31 December 2019, the Group has recognised deferred tax liabilities of $342 million. As disclosed in the financial statements, the Group operates mainly in India whereby certain subsidiaries have tax benefits arising from local tax regulations such as Minimum Alternative Tax ("MAT") credit and deduction under 80IA of Income Tax Act 1961. The valuation of the deferred income tax arising from local tax regulations is significant to our audit because of the related complexity of the valuation process which entails significant Management judgment on assumptions that are affected by manner of realisation.

Our audit procedures comprised, amongst others, an assessment of whether Management's basis for computing deferred tax liabilities is consistent with their assumption to recover the carrying amounts of the Properties through use (except for land). This also includes Management's assumption as to when they are expected to avail themselves of the deduction under 80IA of Income Tax Act 1961 as disclosed in more details in Note 3 to the financial statements. We tested the completeness and reasonableness of the amounts recognised as deferred tax, including the assessment of fair values of the Properties and the effective tax rate applied to the fair value gain on the Properties. We involved our internal tax specialists to assess the local fiscal developments, in particular those related to changes in tax rates which is one of the key assumptions underlying the valuation of the deferred taxes. We also assessed whether the Group has met with the requirements of local tax regulations in relation to MAT credit and deduction under 80IA of Income Tax Act 1961.

In addition, we assessed the adequacy of the Group's disclosures on deferred tax positions and assumptions used. The Group's disclosures concerning income taxes are included in Note 3 and Note 8 to the financial statements.

Other Information

The Trustee-Manager 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 Trustee-Manager for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-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 Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Trustee-Manager.

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

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

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

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

We communicate with the Trustee-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 Trustee-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 Trustee-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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trust and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Low Yen Mei.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

12 February 2020

CONSOLIDATED INCOME STATEMENT

For the financial period ended 31 December 2019

	Note	Group 1 April 2019 to 31 December 2019 $'000	Group 1 April 2018 to 31 March 2019 $'000
Property Income			
Base rent		**110,381**	134,744
Amenities income		**1,589**	2,221
Fit-out rental income		**2,232**	1,709
Operations, maintenance and utilities income		**29,428**	35,350
Car park and other operating income		**6,685**	7,947
Total property income		**150,315**	181,971
Property Expenses			
Operations, maintenance and utilities expenses		**(18,806)**	(22,343)
Service and property taxes		**(3,754)**	(5,053)
Property management fees		**(7,031)**	(9,216)
Other property operating expenses	5	**(7,363)**	(9,683)
Total property expenses		**(36,954)**	(46,295)
Net Property Income		**113,361**	135,676
Trustee-Manager's fees		**(11,704)**	(13,874)
Other operating expenses		**(4,366)**	(4,163)
Finance costs	6	**(35,956)**	(37,046)
Interest income	4	**32,790**	28,661
Other income	12	**600**	45
Fair value gain on derivative financial instruments – realised		**2,571**	7,962
Exchange loss – realised		**(3,365)**	(16,840)
Profit Before Change in Fair Value of Investment Properties, and Unrealised Gain/(Loss) on Derivative Financial Instruments and Foreign Exchange		**93,931**	100,421
Fair value gain/(loss) on derivative financial instruments – unrealised		**3,247**	(2,272)
Exchange (loss)/gain – unrealised		**(8,895)**	5,634
Fair value gain on investment properties under construction	20	**19,227**	100,445
Fair value gain on investment properties	21	**154,759**	84,443
Profit Before Tax	7	**262,269**	288,671
Income tax expenses	8(a)	**(73,280)**	(84,152)
Net Profit After Tax		**188,989**	204,519
Attributable To:			
Unitholders of the Trust		**177,808**	192,115
Non-controlling interests		**11,181**	12,404
		188,989	204,519
Earnings per unit attributable to Unitholders of the Trust, expressed in cents per unit – basic and diluted	9	**16.86**	18.53

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 31 December 2019

	Group	
	1 April 2019 to 31 December 2019 $'000	1 April 2018 to 31 March 2019 $'000
Net profit after tax	**188,989**	204,519
Other Comprehensive Income:		
Items that may be reclassified subsequently to profit or loss:		
– Cash flow hedges	**(5,347)**	(3,110)
– Translation differences arising from the conversion of functional currency into presentation currency	**(40,825)**	(28,757)
Other comprehensive income for the period/year	**(46,172)**	(31,867)
Total comprehensive income for the period/year	**142,817**	172,652
Total Comprehensive Income Attributable To:		
Unitholders of the Trust	**134,453**	162,182
Non-controlling interests	**8,364**	10,470
	142,817	172,652

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DISTRIBUTION STATEMENT

For the financial period ended 31 December 2019

	Note	Group 1 April 2019 to 31 December 2019 $'000	1 April 2018 to 31 March 2019 $'000
Profit Before Change in Fair Value of Investment Properties, and Unrealised Gain/(Loss) on Derivative Financial Instruments and Foreign Exchange		**93,931**	100,421
Income tax expenses – current	8(a)	**(20,432)**	(26,237)
Trustee-Manager's fees payable in units	10	**5,714**	6,779
Depreciation of equipment and right-of-use assets	19,25	**362**	152
Realised exchange loss	10	**1,217**	8,502
Non-controlling interests		**(5,306)**	(5,084)
Distribution Adjustments		**(18,445)**	(15,888)
Income Available for Distribution		**75,486**	84,533
10% retention		**(7,549)**	(8,453)
Income to be Distributed		**67,937**	76,080
Income Available for Distribution per unit (cents)		**7.17**	8.14
Income to be Distributed per unit (cents)		**6.45**	7.33

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2019

	Note	Group 31 December 2019 $'000	Group 31 March 2019 $'000	Trust 31 December 2019 $'000	Trust 31 March 2019 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	11	**79,598**	108,483	**1,967**	2,280
Investment securities	12	**19,694**	–	**–**	–
Inventories	13	**483**	405	**–**	–
Other assets	14	**1,412**	437	**14**	16
Loans to subsidiaries	15	**–**	–	**722,399**	699,789
Trade and other receivables	16	**34,165**	28,661	**3,141**	3,084
Derivative financial instruments	18	**7,260**	4,138	**7,260**	4,138
Current income tax recoverable	8(b)	**4,538**	4,931	**–**	–
		147,150	147,055	**734,781**	709,307
Non-current Assets					
Other assets	14	**5,235**	5,496	**–**	–
Trade and other receivables	16	**10,675**	–	**–**	–
Long term receivables	17	**318,193**	222,106	**–**	–
Derivative financial instruments	18	**18,759**	10,923	**18,759**	10,923
Equipment	19	**509**	542	**–**	–
Right-of-use assets	25	**2,365**	–	**–**	–
Investment properties under construction	20	**174,795**	206,065	**–**	–
Investment properties	21	**1,885,171**	1,711,733	**–**	–
Goodwill	22	**14,520**	15,002	**–**	–
Investment in subsidiaries	23	**–**	–	**633,554**	654,595
		2,430,222	2,171,867	**652,313**	665,518
Total Assets		**2,577,372**	2,318,922	**1,387,094**	1,374,825
Current Liabilities					
Trade and other payables	24	**102,541**	95,515	**51,297**	38,225
Borrowings	26	**179,978**	223,445	**179,978**	223,445
Lease liabilities	25	**43**	–	**–**	–
Derivative financial instruments	18	**21**	29	**21**	29
Current income tax liabilities	8(b)	**1,279**	404	**–**	94
		283,862	319,393	**231,296**	261,793
Non-current Liabilities					
Trade and other payables	24	**51,331**	55,553	**500**	852
Borrowings	26	**561,413**	500,833	**561,413**	500,833
Lease liabilities	25	**2,563**	–	**–**	–
Derivative financial instruments	18	**3,464**	6,979	**3,464**	6,979
Deferred income tax liabilities	8(c)	**341,857**	299,412	**–**	–
		960,628	862,777	**565,377**	508,664
Total Liabilities		**1,244,490**	1,182,170	**796,673**	770,457
NET ASSETS		**1,332,882**	1,136,752	**590,421**	604,368

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2019

	Note	Group		Trust	
		31 December 2019 $'000	31 March 2019 $'000	**31 December 2019 $'000**	31 March 2019 $'000
UNITHOLDERS' FUNDS					
Units in issue	27	**978,324**	825,284	**978,324**	825,284
Foreign currency translation reserve	28(a)	**(454,380)**	(416,372)	**(288,452)**	(270,050)
Hedging reserve	28(b)	**(7,629)**	(2,282)	**(7,629)**	(2,282)
Other reserves	28(c)	**67,652**	69,726	**–**	–
Retained earnings	28(d)	**660,828**	580,673	**(91,822)**	51,416
Net assets attributable to Unitholders		**1,244,795**	1,057,029	**590,421**	604,368
Non-controlling interests		**88,087**	79,723	**–**	–
		1,332,882	1,136,752	**590,421**	604,368

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS

For the financial period ended 31 December 2019

	Attributable to Unitholders of the Trust							
	Units in issue $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
31 December 2019								
Balance at beginning of financial period	**825,284**	**(416,372)**	**(2,282)**	**69,726**	**580,673**	**1,057,029**	**79,723**	**1,136,752**
Profit for the period	**–**	**–**	**–**	**–**	**177,808**	**177,808**	**11,181**	**188,989**
Other comprehensive income for the period	**–**	**(38,008)**	**(5,347)**	**–**	**–**	**(43,355)**	**(2,817)**	**(46,172)**
Transfer from other reserves	**–**	**–**	**–**	**(2,310)**	**2,310**	**–**	**–**	**–**
Issue of new units	**153,040**	**–**	**–**	**–**	**–**	**153,040**	**–**	**153,040**
Distribution to Unitholders (Note 10)	**–**	**–**	**–**	**–**	**(99,727)**	**(99,727)**	**–**	**(99,727)**
Balance at end of financial period	**978,324**	**(454,380)**	**(7,629)**	**67,416**	**661,064**	**1,244,795**	**88,087**	**1,332,882**
31 March 2019								
Balance at beginning of financial year	**818,802**	**(389,549)**	**828**	**67,947**	**436,288**	**934,316**	**69,253**	**1,003,569**
Profit for the year	–	–	–	–	192,115	**192,115**	12,404	**204,519**
Other comprehensive income for the year	–	(26,823)	(3,110)	–	–	**(29,933)**	(1,934)	**(31,867)**
Transfer to other reserves	–	–	–	1,779	(1,779)	**–**	–	**–**
Issue of new units	6,482	–	–	–	–	**6,482**	–	**6,482**
Distribution to Unitholders (Note 10)	–	–	–	–	(45,951)	**(45,951)**	–	**(45,951)**
Balance at end of financial year	**825,284**	**(416,372)**	**(2,282)**	**69,726**	**580,673**	**1,057,029**	**79,723**	**1,136,752**

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period ended 31 December 2019

	Note	Group 1 April 2019 to 31 December 2019 $'000	 1 April 2018 to 31 March 2019 $'000
Operating activities			
Net profit after tax		**188,989**	204,519
Adjustments for:			
Income tax expenses	8(a)	**73,280**	84,152
Interest income	4	**(32,790)**	(28,661)
Finance costs	6	**35,956**	37,046
Investment properties written off	21	**–**	217
Gain on disposal of investment securities	12	**(21)**	(45)
Depreciation of equipment and right-of-use assets	19,25	**362**	152
Fair value (gain)/loss on derivative financial instruments – unrealised		**(3,247)**	2,272
Fair value gain on investment securities	12	**(579)**	–
Fair value gain on investment properties under construction	20	**(19,227)**	(100,445)
Fair value gain on investment properties	21	**(154,759)**	(84,443)
Allowance for impairment of receivables	5	**80**	33
Trustee-Manager's fees paid and payable in units	10	**5,714**	6,779
Exchange differences		**10,110**	2,868
Others		**(2,120)**	8,205
Operating cash flows before changes in working capital		**101,748**	132,649
Changes in working capital			
Inventories		**(92)**	60
Other assets		**(905)**	5,385
Trade and other receivables		**(3,603)**	(2,824)
Trade and other payables		**6,656**	20,804
Cash flows from operations		**103,804**	156,074
Interest received		**17,033**	17,861
Income tax paid (net)		**(18,929)**	(25,377)
Net cash flows from operating activities		**101,908**	148,558
Investing activities			
Purchase of equipment	19	**(99)**	(319)
Additions to investment properties under construction	20	**(20,058)**	(20,113)
Additions to investment properties	21	**(7,342)**	(20,690)
Purchase of investment securities		**(24,222)**	(5,597)
Payment towards deferred consideration of investment properties		**(5,146)**	(10,753)
Proceeds from disposal of investment securities		**4,235**	5,450
Long term receivables	17	**(106,565)**	(224,393)
Net cash flows used in investing activities		**(159,197)**	(276,415)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period ended 31 December 2019

	Note	Group 1 April 2019 to 31 December 2019 S$'000	1 April 2018 to 31 March 2019 S$'000
Financing activities			
Repayment of borrowings	26	**(299,600)**	(271,600)
Distribution to Unitholders		**(99,727)**	(45,951)
Interest paid	26	**(33,468)**	(36,889)
Proceeds from borrowings	26	**311,647**	484,234
Proceeds from issuance of units	27	**153,040**	–
Net cash flows from financing activities		**31,892**	129,794
Net (decrease)/increase in cash and cash equivalents		**(25,397)**	1,937
Cash and cash equivalents at beginning of financial period/year		**108,483**	109,807
Effects of exchange rate changes on cash and cash equivalents		**(3,488)**	(3,261)
Cash and cash equivalents at end of financial period/year	11	**79,598**	108,483

Notes:

(A) Significant non-cash and other transactions

- 4,761,555 new units amounting to $6,033,000 were issued at issue prices ranging from $1.1847 to & $1.5227 per unit for the payment of 50% performance fee and base fee to the Trustee-Manager in Units during the financial period ended 31 December 2019.

- 6,272,150 new units amounting to $6,482,000 were issued at issue prices ranging from $1.0025 to $1.1223 per unit for the payment of 50% performance fee and base fee to the Trustee-Manager in Units during the financial year ended 31 March 2019.

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 December 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Ascendas India Trust (the "Trust") is a Singapore-domiciled trust originally constituted as a private trust pursuant to the Trust Deed dated 7 December 2004 (as amended), with Ascendas Property Fund Trustee Pte. Ltd. as its Trustee-Manager. The Trust Deed was amended by an Amending and Restating Deed dated 28 June 2007 (as amended) ("Trust Deed") to comply with the requirements of, among others, the Monetary Authority of Singapore ("MAS") and the Singapore Exchange Securities Trading Limited ("SGX-ST"), for a listed business trust. The Trust is a registered business trust constituted by the Trust Deed and is principally regulated by the Securities and Futures Act ("SFA") and the Singapore Business Trusts Act. The Trust Deed is governed by the laws of the Republic of Singapore.

On 3 July 2007, the Trust was registered as a business trust and on 1 August 2007, the Trust was listed on the Main Board of the SGX-ST.

The registered office of Ascendas Property Fund Trustee Pte. Ltd. is at 1 Fusionopolis Place #10-10, Galaxis, Singapore 138522.

The principal activity of the Trust is owning income producing real estate used primarily as business space in India and real estate related assets in relation to the foregoing. The Trust may acquire, hold and develop land or uncompleted developments to be used primarily for business space with the objective of holding the properties upon completion. The principal activities of the subsidiaries are as disclosed in Note 23 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Trust have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise stated.

Notwithstanding the net current liability position, based on the Group's existing financial resources, the Trustee-Manager is of the opinion that the Group will be able to refinance borrowings and meet its current obligations as and when they fall due.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, the Group has adopted all the new and revised standards which are effective for financial periods beginning on 1 April 2019. The adoption of the above standards does not have any material impact on the financial position or financial results of the Group, except for SFRS(I) 16. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

SFRS(I) 16 Leases

SFRS (I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS (I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

On the adoption of SFRS (I) 16, the Group elected the modified retrospective method where the lease liability was measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application. The Company adopted to measure the right-of-use asset at an amount equal to the lease liability. The Company will also separately recognise the interest expense on the lease liability and the depreciation expense on the lease asset.

All right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that lease recognised in balance as at 31 March 2019. As a result, right-of-use assets and lease liabilities of $2,659,000 was recognised on 1 April 2019.

In applying SFRS (I) 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount to a portfolio of leases with reasonably similar characteristics.
- the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of date of initial application.
- the exclusion of initial direct costs from the measurement of the lease asset at the date of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Change in accounting policies (continued)

SFRS(I) 16 Leases

	$'000
Lease commitment as at 31 March 2019	6,738
Weighted average discount rate used as at 1 April 2019	11.8%
Lease liabilities as at 1 April 2019	2,659

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain income tax positions, particularly those relating to disputed tax positions and transfer pricing. The Group assesses whether provisions or disclosure as contingent liabilities for tax matters, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates are required. If provisions are required, the amount of such provisions is based on various factors, such as advisory by tax or legal consultant, experience of previous tax audits and differing understanding of tax regulations by the taxable entity and the relevant tax authority.

Based on the assessment above, the Interpretation did not have any material impact on the financial position or financial results of the Group.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to Illustrative Examples, Implementation Guidance and SFRS(I) Practice Statements	1 January 2020
SFRS(I) *Insurance Contracts*	1 January 2021
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Management of the Trustee-Manager expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised.

(a) *Base rent, amenities income, fit-out rental income*

Base rent, amenities income and fit-out rental income, net of incentives granted are recognised in profit or loss on a straight-line basis and over the term of the lease.

Base rent comprises rental income earned from the leasing of the owned built-up area of the properties.

Amenities income is rental revenue earned from the space utilised as amenities such as canteen and business centre.

Fit-out rental income is rental revenue earned from the fit-out provisions for the tenants at the properties. Fit-out rents typically arise from the additional costs related to tenant-specific fit-out requirements, which are in turn passed through to those tenants via fit-out provisions in their lease agreements.

(b) *Operations, maintenance and utilities income*

Operations, maintenance and utilities income is recognised when the services are rendered. Operations and maintenance income is revenue earned from the operation and maintenance of the properties.

(c) *Car park and other income*

Car park income includes revenue earned from the operations of the parking facilities, which is recognised when the services are rendered.

Other income includes miscellaneous income earned from the properties such as kiosks and advertising revenue, which is recognised when the services are rendered.

(d) *Interest income*

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries (including special purpose entities) as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to the like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses of a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

(ii) derecognises the carrying amount of any non-controlling interests;

(iii) derecognises the cumulative translation differences recorded in unitholders' funds;

(iv) recognises the fair value of the consideration received;

(v) recognises the fair value of any investment retained;

(vi) recognises any surplus or deficit in profit or loss;

(vii) reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation and business combinations (continued)

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date.

On an acquisition-by-acquisition basis, the Group may elect to recognise any non-controlling interests in the acquiree at the date of acquisition either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Please refer to Note 2.13 (a) for the accounting policy on goodwill impairment.

(c) *Transactions with non-controlling interests*

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to Unitholders of the Trust.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions. Any difference between the change in the carrying amounts of the non-controlling interests and fair value of the consideration paid or received is recognised directly in unitholders' funds and attributed to the Unitholders of the Trust.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Trust is Indian Rupee ("INR"). The presentation currency is SGD as the financial statements are meant primarily for users in Singapore.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in unitholders' funds. The foreign currency translation reserve is reclassified from unitholders' funds to profit or loss of the Group on disposal of the foreign operation.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date; and

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Equipment

(a) *Measurement*

Equipment is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

(b) *Depreciation*

Depreciation on computers, furniture and equipment is calculated using the straight line method to allocate the depreciable amounts over the estimated useful lives as follows:

	Useful lives
Computers, furniture and equipment	3 to 10 years

The residual values, estimated useful lives and depreciation method of equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditure is recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other property operating expenses".

2.8 Investment properties under construction

All investment properties under construction where fair values are reliably determinable are measured at fair value. The difference between the fair value and the carrying amount is recognised in profit or loss. Investment properties under construction for which the fair value cannot be reliably measured at present, but for which the fair value would be reliably determinable in future is accounted for at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Investment properties

Investment properties of the Group, principally comprising completed office buildings and interest in freehold land held for a currently undetermined future use, are held for long-term rental yields and capital appreciation.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, determined on an annual basis by an independent professional valuer on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss. Investment properties are not subject to depreciation.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Trust's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Joint ventures and associates

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Joint ventures and associates (continued)

Joint ventures and associates

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

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets

(a) *Goodwill*

Goodwill, recognised separately as an intangible asset, is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Investment in subsidiaries*

Investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the asset may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

In assessing the value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by capitalisation rates or other available fair value indicators.

The Group bases its impairment calculation on detailed rent-rolls and projections which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These rent rolls and projections are generally covering a period of 5 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets (continued)

(b) *Investment in subsidiaries (continued)*

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of completion and applicable variable selling expenses.

2.15 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only, when the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(a) Financial assets (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments is recognised in profit or loss.

(i) Fair value hedge

The Group has entered into currency forwards that are fair value hedges for currency risk arising from its firm commitments for purchases and sales denominated in foreign currencies. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the effective portion of currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised separately in profit or loss.

(ii) Cash flow hedge

Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges of the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of the interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(a) *Financial assets (continued)*

<u>*Derivatives*</u> *(continued)*

(ii) *Cash flow hedge (continued)*

Currency swaps

The Group has entered into currency swaps that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency swaps are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

(b) *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

The measurement of financial liabilities depends on their classification as follows:

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(b) *Financial liabilities (continued)*

Subsequent measurement (continued)

(ii) *Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) *Impairment*

The Group recognises an allowance for expected credit losses (ECLs) for all debts instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Leases

As lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease lock-in period.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and the right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Group recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, the lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased asset transfers to the Group, at the end of the lease term or the cost reflects the exercise of a purchase option, deprecation is calculated using the estimated useful life of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.13.

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognised lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment (including in-substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or lease payments or a change in the assessment of an option to purchase the underlying asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in unitholders' funds. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and unused tax loss, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax loss can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Taxes (continued)

(b) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax items are recognised in correlation to the underlying transaction or event. The deferred tax effect will be:

(i) Recognised in the profit or loss, if the underlying transaction or event is recognised in profit or loss;

(ii) Recognised directly in unitholders' funds, if the underlying transaction or event is recognised in unitholders' funds; and

(iii) Recognised as an adjustment to goodwill (or negative goodwill) if the underlying transaction or event arises from a business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the tax 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

(ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance cost.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.20 Units in issue and unit issuance expenses

Proceeds from issuance of units are recognised as units in issue in unitholders' funds. Incremental costs directly attributable to the issuance of units are deducted against units in issue.

2.21 Distributions to Trust's Unitholders

Distributions to the Trust's Unitholders are recognised when the distributions are declared payable by the Trustee-Manager.

2.22 Transfer to other reserves

Other reserves represent profits statutorily transferred to capital redemption reserve, debenture redemption reserve and general reserve of the Indian subsidiaries under Indian regulatory provisions.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.24 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Trust if that person:

(i) has control or joint control over the Trust;

(ii) has significant influence over the Trust; or

(iii) is a member of the key management personnel of the Trustee-Manager or of a parent of the Trust.

(b) An entity is related to the Group and the Trust if any of the following conditions applies:

(i) the entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Related parties (continued)

(b) An entity is related to the Group and the Trust if any of the following conditions applies (continued):

(v) the entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of investment properties and investment properties under construction

The Group carries its investment properties and investment properties under construction at fair value, with changes in fair values being recognised in profit or loss.

The fair values of investment properties and investment properties under construction are determined by independent professional valuers using recognised valuation techniques. These techniques comprise both the income capitalisation method and the discounted cash flow method.

The determination of the fair values of the investment properties and investment properties under construction require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. These estimates are based on prevailing local market conditions.

The carrying amount and key assumptions used to determine the fair value of the investment properties and investment properties under construction are further explained in Note 31. The Trustee-Manager is of the view that the valuation techniques and estimates are reflective of the current market condition.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded and contingent liabilities disclosed in the financial statements.

The Group assesses whether provisions or disclosure as contingent liabilities for tax matters, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. If provisions are required, the amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective entity's domicile.

Deferred tax assets are recognised for all unused tax loss and Minimum Alternative Tax ("MAT") credit to the extent that it is probable that taxable profit will be available against which the loss and MAT credit can be utilised. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Deferred tax liabilities are recognised on fair value gains on investment properties. The determination of the appropriate tax rates to be applied on the fair value gains is based on Management's assumption to recover the carrying amounts of the investment properties through use (except for land) and as to when they are expected to avail themselves of the deduction under 80IA of Income Tax Act 1961.

4. INTEREST INCOME

	Group	
	1 April 2019 to 31 December 2019 $'000	1 April 2018 to 31 March 2019 $'000
Interest income		
– Financial institutions	**3,724**	5,522
– Long term receivables	**27,353**	20,898
– Others	**1,713**	2,241
	32,790	28,661

5. OTHER PROPERTY OPERATING EXPENSES

	Group	
	1 April 2019 to 31 December 2019 $'000	1 April 2018 to 31 March 2019 $'000
Advertising and publication	**1,032**	833
Depreciation of equipment and right-of-use assets	**362**	152
Employee benefits	**306**	327
Insurance	**229**	265
Investment properties written off	**–**	217
General management fee	**3,629**	4,312
Surcharges	**114**	305
Travel and hotel accomodation	**234**	293
Professional fees	**870**	1,276
Allowance for impairment of receivables	**80**	33
Others	**507**	1,670
	7,363	9,683

6. FINANCE COSTS

	Group	
	1 April 2019 to 31 December 2019	1 April 2018 to 31 March 2019
	$'000	$'000
Interest expenses		
– Financial institutions	**24,712**	22,748
– Medium term notes	**10,751**	14,750
– Lease liabilities	**493**	–
– Reversal of prior years	**–**	(452)
	35,956	37,046

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	1 April 2019 to 31 December 2019	1 April 2018 to 31 March 2019
	$'000	$'000
Auditors of the Group:		
– Audit fees	**335**	397
– Non-audit fees	**147**	46
Inventories recognised as expenses in "Operations, maintenance and utilities expenses"	**65**	221

8. INCOME TAXES

(a) *Income tax expenses*

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Tax expenses attributable to profit is made up of:		
Current income tax expenses		
– Based on current period's/year's results	**20,533**	28,783
– Over provision in respect of prior years	**(101)**	(2,546)
	20,432	26,237
Deferred income tax expenses		
– Based on current period's/year's results	**53,357**	61,427
– Over provision in respect of prior years	**(509)**	(3,512)
	52,848	57,915
	73,280	84,152

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period/year ended 31 December 2019 and 31 March 2019 is as follows:

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Profit before tax	**262,269**	288,671
Tax calculated at tax rate of 34.94% (31 March 2019: 34.94%)	**91,637**	100,862
Effects of:		
– Income not subject to tax	**(20,513)**	(22,592)
– Expenses not deductible for tax purpose	**19,909**	21,096
– Tax incentives	**(14,120)**	(12,395)
– Fair value gains on investment properties subject to lower tax rate	**(7,994)**	(7,119)
– Dividend distribution and withholding tax	**6,162**	10,328
– Over provision in respect of prior years	**(610)**	(6,058)
– Others	**(1,191)**	30
	73,280	84,152

The corporate tax rate applicable in India was 34.94%. For domestic companies with turnover less than INR 4,000 million, the corporate tax rate will be 29.12%.

Tax incentives comprise tax holiday benefits available for Indian entities where investment properties are located in the notified industrial park and/or special economic zones.

8. INCOME TAXES (continued)

(a) *Income tax expenses (continued)*

Dividend distribution tax is levied on any dividend payments by the subsidiaries in India while withholding tax is payable by the subsidiaries in India on interest payments made to the intermediate holding companies in Singapore.

Minimum Alternate Tax ("MAT")

Under the Indian income tax law, MAT will be payable only where tax liability, as computed, is less than 15.00% of the book profits in the profit or loss account and after making certain specified adjustments. Set-off of MAT credit is allowed in a particular year on the difference between the tax liability under normal provisions and tax liability under MAT provisions for such years. MAT credit is allowed to carry forward for a period of 15 years.

(b) *Movements in current income tax recoverable and liabilities*

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Current income tax recoverable	**4,538**	4,931
Current income tax liabilities	**(1,279)**	(404)
Current income tax recoverable, net	**3,259**	4,527

Movements in current income tax recoverable, net

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**4,527**	7,240
Tax charge for the period/year	**(20,533)**	(28,783)
Overprovision in respect of prior years	**101**	2,546
Arising from merger of subsidiaries	**–**	(1,618)
Tax paid during the period/year	**20,973**	12,422
Tax deducted at source (net)	**(2,044)**	12,955
Translation differences	**235**	(235)
Balance at end of financial period/year	**3,259**	4,527

8. **INCOME TAXES** (continued)

(c) *Deferred income tax liabilities and assets*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Deferred income tax assets:		
– To be settled after one year	**(36,951)**	(37,008)
Deferred income tax liabilities:		
– To be settled after one year	**378,808**	336,420
Deferred income tax liabilities – net	**341,857**	299,412
The above comprises the following:		
– Fair value gains on investment properties	**378,808**	336,420
– Minimum alternate tax credit	**(36,951)**	(37,008)
	341,857	299,412

The movements in the deferred income tax assets and liabilities are as follows:

Group	**Fair value gains on investment properties $'000**	**Minimum alternate tax credit $'000**	**Total $'000**
31 December 2019			
Balance at beginning of financial period	**336,420**	**(37,008)**	**299,412**
Tax charged to income statement	**54,005**	**(1,157)**	**52,848**
Translation differences	**(11,617)**	**1,214**	**(10,403)**
Balance at end of financial period	**378,808**	**(36,951)**	**341,857**
31 March 2019			
Balance at beginning of financial year	276,325	(26,419)	249,906
Tax charged to income statement	69,486	(11,571)	57,915
Translation differences	(9,391)	982	(8,409)
Balance at end of financial year	336,420	(37,008)	299,412

Deferred income tax assets are recognised for MAT credit available and tax loss carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

8. INCOME TAXES (continued)

(d) Dividend distribution tax on undistributed earnings

At the reporting date, the Group had potential dividend distribution tax liability amounting to $42,715,000 (31 March 2019: $32,500,000) associated with undistributed earnings of subsidiaries. No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of these subsidiaries and provision is made only when there is a plan for dividend distribution.

9. EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	1 April 2019 to 31 December 2019	1 April 2018 to 31 March 2019
Total profit attributable to Unitholders ($'000)	**177,808**	192,115
Weighted average number of units outstanding during the period/year ('000)	**1,054,828**	1,036,952
Earnings per unit (cents)	**16.86**	18.53

Diluted earnings per unit are the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial period.

10. DISTRIBUTION TO UNITHOLDERS

	Group and Trust	
	1 April 2019 to 31 December 2019 $'000	1 April 2018 to 31 March 2019 $'000
Distribution paid:		
Exempt distribution of 0.85 cents per unit paid on 25 May 2018	**–**	8,787
Exempt distribution of 3.58 cents per unit paid on 26 November 2018	**–**	37,164
Exempt distribution of 3.75 cents per unit paid on 27 May 2019	**39,083**	–
Exempt distribution of 4.33 cents per unit paid on 22 November 2019	**45,196**	–
Exempt distribution of 1.48 cents per unit paid on 24 December 2019	**15,448**	–
	99,727	45,951

A tax-exempt distribution of 0.64 cents per unit amounting to $7,331,000 was approved on 30 January 2020 by the Board of Directors of the Trustee-Manager. These financial statements do not reflect this distribution, which will be accounted for in unitholders' funds as an appropriation of retained earnings in the financial year ending 31 December 2020.

Distribution adjustments

The Trustee-Manager had elected to receive 50% of its base fee and performance fee in units and 50% in cash. The 50% fees payable in units does not affect cash flow and has been added back to the income available for distribution. Trustee-Manager's fees payable in units amounted to $5,714,000 (31 March 2019: $6,779,000) during the financial period.

During the financial period, net realised exchange loss of $1,217,000 (31 March 2019: $8,502,000) arose from the refinancing of SGD-denominated loans.

Exchange gain or loss is recognised when borrowings that are denominated in currencies other than the INR are revalued. The exchange gain or loss is realised when the borrowing matures. Such exchange gain or loss does not affect cash flow and has been deducted from or added to the income available for distribution.

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	31 December 2019 $'000	31 March 2019 $'000	**31 December 2019 $'000**	31 March 2019 $'000
Cash at bank and on hand	**9,938**	8,035	**1,967**	2,280
Fixed deposits	**69,660**	100,448	**–**	–
	79,598	108,483	**1,967**	2,280

The exposure of cash and cash equivalents to interest rate risk and currency risk is disclosed in Note 30.

Fixed deposits at the balance sheet date had an average maturity of 6 months (31 March 2019: 6 months). Fixed deposits with maturities in excess of 3 months, upon early-termination, will earn interest at the stipulated rate up to the actual period of deposit, and are subject to an insignificant risk of change in value.

As at 31 December 2019, certain companies of the Group had cash and deposit balances denominated in INR amounting to approximately $77,405,000 (31 March 2019: $106,097,000) which are deposited with financial institutions in India. Cash and deposit balances which are denominated in INR, a controlled currency, are not freely convertible into foreign currencies.

12. INVESTMENT SECURITIES

	Group	
	31 December 2019 $'000	31 March 2019 $'000
At fair value through profit or loss		
Listed Fund Investments (Quoted)	**19,694**	–

Investment securities pertain to investment in Money Market Funds ("MMFs"). The Group has measured these MMFs at fair value through profit or loss due to the Group's intention not to hold the investment for long term appreciation.

During the period, the Group recognised gain on disposal of $21,000 (31 March 2019: $45,000) and fair value gain of $579,000 (31 March 2019: Nil) on MMFs in other income of income statement.

13. INVENTORIES

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Operational supplies	**483**	405

14. OTHER ASSETS

	Group		Trust	
	31 December 2019 $'000	31 March 2019 $'000	**31 December 2019 $'000**	31 March 2019 $'000
Current				
Deposits	**48**	38	**–**	–
Prepayments	**1,364**	399	**14**	16
	1,412	437	**14**	16
Non-current				
Deposits	**5,217**	5,431	**–**	–
Prepayments	**18**	65	**–**	–
	5,235	5,496	**–**	–

The carrying amounts of deposits, denominated in INR, approximate their fair values.

15. LOANS TO SUBSIDIARIES

	Trust	
	31 December 2019 $'000	31 March 2019 $'000
Loans to subsidiaries		
– Non-interest bearing	**214,910**	222,820
– Interest bearing	**507,489**	476,969
	722,399	699,789

As at 31 December 2019, the loans to subsidiaries are unsecured, repayable on demand and approximate their fair values. The interest bearing loans carry interest rates ranging from 2.58% to 9.15% (31 March 2019: 2.58% to 9.15%) per annum.

16. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	31 December 2019 $'000	31 March 2019 $'000	**31 December 2019 $'000**	31 March 2019 $'000
Current				
Trade receivables	**8,674**	9,282	**–**	–
Less: Allowance for impairment of receivables	**(2,231)**	(2,224)	**–**	–
Trade receivables – net	**6,443**	7,058	**–**	–
Amounts owing from subsidiary	–	–	**7**	7
Non-related parties				
– Advances to suppliers	**2,095**	959	**–**	–
– Interest receivable	**19,798**	14,909	**–**	–
– Service input tax recoverable	**5,358**	5,553	**–**	–
– Others	**471**	182	**3,134**	3,077
	34,165	28,661	**3,141**	3,084
Non-Current				
Non-related parties				
– Advances to suppliers	**664**	–	**–**	–
– Interest receivable	**10,011**	–	**–**	–
	10,675	–	**–**	–

Amounts owing from subsidiary are unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other receivables approximate their fair values.

The exposure of trade and other receivables to currency risk is disclosed in Note 30.

As disclosed in Note 5, allowance for impairment of receivables of $80,000 (31 March 2019: $33,000) was included in "Other property operating expenses".

17. LONG TERM RECEIVABLES

	Group	
	31 December 2019	31 March 2019
	$'000	$'000
Balance at beginning of financial period/year	**222,106**	–
Additions	**106,565**	224,393
Translation differences	**(10,478)**	(2,287)
Balance at end of financial period/year	**318,193**	222,106

Long term receivables pertain to inter-corporate deposit ("ICD") provided to a non-related party and subscription of non-convertible debentures ("NCDs") and Rupee Denominated Bonds ("RDBs") issued by non-related parties.

During the period, the Group subscribed to RDB with coupon rates of 11.5% per annum. The RDB has a tenure of 30 years and are issued to fund the construction of an IT building at Pune. The subscription to the RDB is a multi-stage process to eventually acquire the properties when certain conditions are met. The Group also provided ICD with coupon rate of 11.5%. Both the RDB and ICD are secured by a charge over the issuers' land and pledge of shares and are backed by a corporate guarantee for interest and principal repayment.

During the period, the Group subscribed to NCDs with a coupon rate of 14.0% per annum to fund the construction of a Free Trade Warehousing Zone ("FTWZ") warehouse at Panvel. The NCDs are secured by a charge over the proposed warehouse, leasehold rights on the land and pledge of shares, and are backed by a corporate guarantee for interest and principal repayment. The funding through the NCDs is a multi-stage process to eventually acquire the warehouse when certain conditions are met, through the acquisition of the issued and paid-up capital of non-related parties.

During the period, the Group has provided ICD with a coupon rate of 13.0% per annum to a non-related party, which secured by a charge over the undivided share of land and pledge of shares and is backed by a corporate guarantee for interest and principal repayment.

In the previous financial year, the Group subscribed to NCDs with coupon rates ranging between 11.25% to 13.75%. The NCDs have a tenure of 30 years and are issued to fund the construction of two IT buildings at Navi Mumbai, two IT buildings in aVance Business Hub 2 at Hyderabad and two buildings in aVance Business Hub at Hyderabad. The NCDs are secured by a charge over non-related parties' properties, land, land lease and pledge of shares, and are backed by a corporate guarantee for interest and principal repayment. The subscription to the NCDs is a multi-stage process to eventually acquire the properties when certain conditions are met, through the acquisition of the issued and paid-up capital of non-related parties. The Group has the legal enforceable right to call for NCD redemptions if the completion date for the acquisition of shares is delayed beyond certain specific dates.

The Group also provided ICD with coupon rates ranging between 13.0% to 13.5% per annum. The ICD has a tenure of 5 years and is secured by a charge over non-related parties' properties, land and pledge of shares, and are backed by a corporate guarantee.

The Group is able to exercise significant influence through representations to the Board of Directors of non-related parties, results in becoming an investment in associates but there is no initial cost of investment.

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust					
	31 December 2019			31 March 2019		
	Contract/ notional amount	**Fair values**		Contract/ notional amount	Fair values	
		Assets	**Liabilities**		Assets	Liabilities
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Current						
Cash flow hedges						
– Interest rate swaps	**16,000**	**–**	**(21)**	16,000	–	(29)
– Currency swaps	**84,000**	**7,208**	**–**	69,000	4,137	–
Non-hedging instruments						
– Currency forwards	**6,000**	**52**	**–**	18,000	1	–
		7,260	**(21)**		4,138	(29)
Non-current						
Cash flow hedges						
– Interest rate swaps	**19,000**	**–**	**(239)**	19,000	–	(72)
– Currency swaps	**383,921**	**18,424**	**(1,710)**	329,026	10,880	(2,682)
– Options	**100,000**	**335**	**(1,515)**	100,000	43	(4,225)
		18,759	**(3,464)**		10,923	(6,979)
Total		**26,019**	**(3,485)**		15,061	(7,008)

No cash flow hedges of expected transactions were assessed to be ineffective under SFRS(I) 9 and recognised in the profit or loss for the Group and the Trust for the financial period/year ended 31 December 2019 and 31 March 2019.

The Group held interest rate swaps to exchange floating-rate interest, on SGD loans of $66,000,000 (31 March 2019: $77,820,000), into fixed-rate interest at an average rate of 3.22% (31 March 2019: 3.42%) per annum.

The Group entered into currency swaps to exchange floating-rate SGD loans of $406,895,000 (31 March 2019: $287,000,000) for INR obligations at average fixed-rate of 7.57% (31 March 2019: 7.63%) per annum and also currency swaps to exchange fixed-rate medium term notes of $118,206,075 (31 March 2019: $168,206,000) for fixed-rate INR obligation at average fixed-rate of 8.13% (31 March 2019: 8.07%) per annum.

The rationale for entering into currency forwards is disclosed in Note 30(a)(i).

Period when cash flows on cash flow hedges are expected to occur or affect profit or loss

Currency and interest rate swaps are entered to hedge currency and interest rate fluctuations. Fair value gains and losses on the currency and interest rate swaps recognised in the hedging reserve are transferred to profit or loss as realised fair value gain or loss on derivative financial instruments upon maturity. Net interest paid on the currency and interest rate swaps is taken to profit or loss as part of interest expenses over the period of borrowings.

19. EQUIPMENT

	Group Computers, furniture and equipment	
	31 December 2019 $'000	31 March 2019 $'000
Cost		
Balance at beginning of financial period/year	**4,554**	4,355
Additions	**99**	319
Translation differences	**(112)**	(120)
Balance at end of financial period/year	**4,541**	4,554
Accumulated depreciation		
Balance at beginning of financial period/year	**4,012**	3,970
Depreciation charge	**115**	152
Translation differences	**(95)**	(110)
Balance at end of financial period/year	**4,032**	4,012
Net book value		
Balance at end of financial period/year	**509**	542
Balance at beginning of financial period/year	**542**	385

20. INVESTMENT PROPERTIES UNDER CONSTRUCTION

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**206,065**	14,706
Additions during the period/year	**20,623**	19,214
Transfer (to)/from investment properties (Note 21)	**(64,904)**	70,059
Fair value gain	**19,227**	100,445
Translation differences	**(6,216)**	1,641
Balance at end of financial period/year	**174,795**	206,065

Investment properties under construction are stated at fair value, which has been determined based on residual valuations performed by Savills Property Services (India) Private Limited as at 31 December 2019. The details of the valuation techniques and inputs used are disclosed in Note 31.

During the financial period, $64,904,000 was transferred to "Investment properties" on completion of Anchor building, a multi-tenanted building in Information Technology Park Limited. In previous financial year, $70,059,000 was transferred from "Investment properties" related to the Phase 1 redevelopment of VITP Private Limited and development of a new multi-tenanted building in Information Technology Park Limited.

Included in additions of investment properties under construction, $565,000 (31 March 2019: $664,000) was construction cost payable (Note 24).

21. INVESTMENT PROPERTIES

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**1,711,733**	1,726,292
Additions during the period/year	**7,342**	20,690
Cost adjustment arising from change in deferred consideration	**4,590**	(69)
Investment properties written off (Note 5)	**–**	(217)
Amortisation of marketing fee	**(498)**	(753)
Straightlining of rent free period	**2,364**	2,310
Transfer from/(to) investment properties under construction (Note 20)	**64,904**	(70,059)
Fair value gain	**154,759**	84,443
Translation differences	**(60,023)**	(50,904)
Balance at end of financial period/year	**1,885,171**	1,711,733

It is the intention of the Trustee-Manager to hold the investment properties for the long term.

Investment properties are stated at fair value, which has been determined based on valuations performed by Savills Property Services (India) Private Limited as at 31 December 2019. The details of the valuation techniques and inputs used are disclosed in Note 31.

22. GOODWILL

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**15,002**	15,461
Translation differences	**(482)**	(459)
Balance at end of financial period/year	**14,520**	15,002

Impairment test for goodwill

Goodwill has been allocated to cash-generating unit ("CGU"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The carrying values of goodwill remain unchanged except for translation differences. The goodwill arose from the acquisition of Ascendas IT Park (Chennai) Limited and Cyber Pearl Information Technology Park Private Limited amounting to $12,804,000 (31 March 2019: $13,229,000) and $1,716,000 (31 March 2019: $1,773,000) respectively.

Goodwill balances result from the requirement on acquisition to recognise a deferred tax liability, calculated as the difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. For the purpose of testing this goodwill for impairment, the related deferred tax liabilities recognised on acquisition that remain at balance sheet date are treated as part of the relevant CGU.

23. INVESTMENT IN SUBSIDIARIES

The details of the Trust's subsidiaries are as follows:

Subsidiaries	Principal activities	Country of incorporation/ place of business	Class of shares	Percentage of equity held by the Trust		Trust Cost of investment	
				31 December 2019	31 March 2019	**31 December 2019**	31 March 2019
				%	%	**$'000**	$'000
Direct subsidiaries							
Ascendas Property Fund (India) Pte. Ltd.*	Investment vehicle of listed trust	Singapore	Ordinary	**100**	100	**613,392**	633,763
Ascendas Property Fund (FDI) Pte. Ltd.*	Investment vehicle of listed trust	Singapore	Ordinary	**100**	100	**20,162**	20,832
						633,554	654,595
Indirect subsidiaries							
VITP Private Limited@	Development, owning and management of information technology parks in Hyderabad and special economic zones in Pune	India	Ordinary	**100**	100		
Information Technology Park Limited@	Development, owning and management of information technology parks in Bangalore	India	Ordinary	**92.8**	92.8		
Cyber Pearl Information Technology Park Private Limited@	Development, owning and management of information technology parks in Hyderabad and Chennai	India	Ordinary	**100**	100		
Ascendas IT Park (Chennai) Limited@	Development, owning and management of information technology parks in Chennai	India	Ordinary	**89**	89		
Hyderabad Infratech Pvt Ltd@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Avance-Atlas Infratech Private Limited@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Deccan Real Ventures Private Limited@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Arshiya Panvel FTWZ Limited@	Setting up, developing, obtaining rail siding infrastructure and network for operation and movement of container, cargo and freight trains in Mumbai	India	Ordinary	**100**	100		
Ascendas Give Foundation#	Promoting charity, education and art forming part of corporate social responsibility obligations of member companies	India	Ordinary	**80**	–		

* Audited by Ernst & Young LLP, Singapore.
@ Audited by member firm of EY Global in India
\# Incorporated in April 2019 & not required statutory audit

23. INVESTMENT IN SUBSIDIARIES (continued)

Amalgamation of VITP Private Limited and Flagship Developers Private Limited

On 17 July 2018, VITP Private Limited ("VITP"), a wholly-owned subsidiary of the Trust, received approval from the National Company Law Tribunal, Hyderabad Bench for the amalgamation of Flagship Developers Private Limited ("FDPL") with VITP. FDPL was accordingly dissolved, with VITP as the surviving entity.

24. TRADE AND OTHER PAYABLES

	Group		Trust	
	31 December 2019 $'000	31 March 2019 $'000	**31 December 2019 $'000**	31 March 2019 $'000
Current				
Amount owing to subsidiary	**–**	–	**32,373**	20,595
Other payables				
– Non-related parties				
– Interest payable	**8,830**	7,109	**8,808**	7,086
– Construction cost payable	**565**	664	**–**	–
– Retention sum payable	**1,603**	1,521	**–**	–
– Advances	**1,386**	2,713	**–**	–
– Companies controlled by a Unitholder that has significant influence over the Group	**8,783**	9,446	**6,843**	7,969
Accruals	**20,068**	19,954	**1,053**	1,301
Rental deposits	**53,158**	46,859	**–**	–
Deferred consideration	**–**	960	**–**	–
Others	**8,148**	6,289	**2,220**	1,274
	102,541	95,515	**51,297**	38,225
Non-current				
Rental deposits	**49,712**	53,667	**–**	–
Accruals	**500**	852	**500**	852
Others	**1,119**	1,034	**–**	–
	51,331	55,553	**500**	852
	153,872	151,068	**51,797**	39,077

Amount owing to subsidiary is unsecured, interest free and repayable on demand.

The amounts owing to companies controlled by a Unitholder that has significant influence over the Group are unsecured, interest-free and repayable on demand. The amounts pertain mainly to fees payable to the Trustee-Manager and Property Manager, and are trade in nature.

The carrying amounts of trade and other payables approximate their fair values.

The exposure of trade and other payables to currency risk is disclosed in Note 30.

25. RIGHT-OF-USE ASSETS LEASE LIABILITIES

	Group 31 December 2019 $'000
Cost	
Balance at beginning of financial period	–
Effect of adopting SFRS (I) 16	2,659
At 1 April, as restated	2,659
Translation differences	(52)
Balance at end of financial period	2,607
Accumulated depreciation	
Depreciation charge	247
Translation differences	(5)
Balance at end of financial period	242
Net book value	
Balance at end of financial period	2,365
Short-term lease liabilities	
Machinery	43
Long-term lease liabilities	
Machinery	2,563

The Group has lease liabilities for machinery in India. The leases for the machinery as at 31 December 2019 will mature in Year 2038 to 2048. The discount rate used is 10% to 13.65% per annum. The lease agreements do not impose any covenants.

Leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

26. BORROWINGS

	Group and Trust	
	31 December 2019 $'000	31 March 2019 $'000
Current		
Unsecured bank loans	**150,000**	173,500
Less: Unamortised transaction costs	**(18)**	(17)
	149,982	173,483
Unsecured medium term notes	**30,000**	50,000
Less: Unamortised transaction costs	**(4)**	(38)
	29,996	49,962
Total current borrowings	**179,978**	223,445
Non-current		
Unsecured bank loans	**400,895**	315,000
Less: Unamortised transaction costs	**(1,971)**	(2,200)
	398,924	312,800
Unsecured medium term notes	**162,630**	188,262
Less: Unamortised transaction costs	**(141)**	(229)
	162,489	188,033
Total non-current borrowings	**561,413**	500,833
Total borrowings	**741,391**	724,278

26. BORROWINGS (continued)

Debt repayment schedule

	Group and Trust		
	Total $'000	Within 1 year $'000	After 1 year but within 5 years $'000
31 December 2019			
Unsecured bank loans			
– Variable rate SGD term loans	**498,664**	**149,982**	**348,682**
– Variable rate HKD term loans	**50,242**	**–**	**50,242**
Unsecured medium term notes			
– 5 year SGD notes	**29,996**	**29,996**	**–**
– 5 year JPY notes	**162,489**	**–**	**162,489**
	192,485	**29,996**	**162,489**
Total	**741,391**	**179,978**	**561,413**
31 March 2019			
Unsecured bank loans			
– Variable rate SGD term loans	486,283	173,483	312,800
Unsecured medium term notes			
– 5 year SGD notes	79,915	49,962	29,953
– 5 year JPY notes	158,080	–	158,080
	237,995	49,962	188,033
Total	724,278	223,445	500,833

Interest rate

The weighted average effective interest rates of total borrowings at the balance sheet date were as follows:

	Group and Trust	
	31 December 2019	31 March 2019
Unsecured bank loans		
– SGD	**2.74%**	3.21%
– HKD	**3.53%**	–
Unsecured medium term notes		
– 5 year SGD notes	**3.90%**	3.84%
– 5 year JPY notes	**0.69%**	0.69%

26. BORROWINGS (continued)

Reconciliation of liabilities arising from financing activities

	Liabilities		Derivatives (assets)/liabilities held to hedge borrowings		
	Borrowings $'000	Interest payable $'000	Cross currency swap, interest rate swap and Options used for hedging-assets $'000	Cross currency swap, interest rate swap and Options used for hedging-liabilities $'000	Total $'000
Balance at beginning of period	**724,278**	**7,109**	**(15,061)**	**7,008**	**723,334**
Changes from financing cash flows					
Proceeds from borrowings	311,647	–	–	–	311,647
Repayment of borrowings	(299,600)	–	–	–	(299,600)
Finance costs paid	–	(33,468)	–	–	(33,468)
Total changes from financing cash flows	12,047	(33,468)	–	–	(21,421)
Change in fair value	–	–	(10,988)	(3,523)	(14,511)
Other changes					
Amortisation of transaction costs	991	–	–	–	991
Interest expense	–	34,965	–	–	34,965
Translation differences	4,075	224	30	–	4,329
Total liability-related other changes	5,066	35,189	30	–	40,285
Balance at end of period	**741,391**	**8,830**	**(26,019)**	**3,485**	**727,687**

26. BORROWINGS (continued)

Medium term notes

In March 2009, the Trust established a $500,000,000 Multicurrency Medium Term Note ("MTN") Programme. Under the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in one or more tranches, on the same or different issue dates, in SGD or any other currency.

Each tranche of notes may be issued in various amounts and tenors, and may bear fixed, floating, or variable rates of interest. Hybrid notes, zero coupon notes or perpetual securities may also be issued under the MTN Programme.

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 Trust has increased the maximum aggregate principal amount of notes and perpetual securities that may be issued under the Multicurrency Debt Programme from $500,000,000 to $1,500,000,000 with effect from 16 April 2019.

As at 31 December 2019, the maximum aggregate principal amount of the notes outstanding at any time shall be $1,500,000,000, or such higher amount as may be determined pursuant to the MTN Programme.

The total notes issued by the Trust as at 31 December 2019, which still remains outstanding, is $193,000,000 (31 March 2019: $238,000,000), consisting of:

(a) $30,000,000 MTN 6, which bears a fixed interest rate of 3.90% per annum, payable semi-annually in arrears and matures on 5 October 2020.

(b) JPY4,000,000,000 MTN 7, which bears a fixed interest rate of 0.75% per annum, payable semi-annually in arrears and matures on 11 May 2021.

(c) JPY5,000,000,000 MTN 8, which bears a fixed interest rate of 0.67375% per annum, payable semi-annually in arrears and matures on 10 April 2023.

(d) JPY4,000,000,000 MTN 9, which bears a fixed interest rate of 0.64375% per annum, payable semi-annually in arrears and matures on 18 December 2023.

27. UNITS IN ISSUE

	Group and Trust			
	31 December 2019		31 March 2019	
	Number of units (in thousands)	**$'000**	Number of units (in thousands)	$'000
Balance at beginning of financial period/year	**1,039,037**	**825,284**	1,032,765	818,802
Issue of new units				
– Fee paid in units	**4,762**	**6,033**	6,272	6,482
– Private placement	**99,470**	**147,007**	–	–
Balance at end of financial period/year	**1,143,269**	**978,324**	1,039,037	825,284

The holders of units are entitled to receive distribution as and when declared by the Trust. At any time, all the units in a class are of equal value and shall have equal rights and obligations.

The private placement (net) includes units issuance expenses of $2,993,000.

All issued units are fully paid.

28. RESERVES

(a) *Foreign currency translation reserve*

	Trust	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**(270,050)**	(247,461)
Translation differences arising from the conversion of functional currency into presentation currency	**(18,402)**	(22,589)
Balance at end of financial period/year	**(288,452)**	(270,050)

(b) *Hedging reserve*

Hedging reserve represents the effective portion of cash flow hedge relationship existing as at the reporting date.

(c) *Other reserves*

Other reserves represent profits transferred to the statutory reserves of the Indian subsidiaries under Indian regulatory provisions.

28. RESERVES (continued)

(d) Retained earnings

	Trust	
	31 December 2019 $'000	31 March 2019 $'000
Balance at beginning of financial period/year	**51,416**	138,998
Loss for the period/year	**(43,511)**	(41,631)
Distribution to Unitholders (Note 10)	**(99,727)**	(45,951)
Balance at end of financial period/year	**(91,822)**	51,416

29. RELATED PARTY TRANSACTIONS

The Group has entered into several service agreements in relation to the Management of the Trust and its property operations. These agreements are entered into with the Trustee-Manager and Ascendas Services (India) Pte. Ltd. (the "Property Manager"), which are companies that are controlled by a Unitholder that has significant influence over the Group. The fee structures of these services are as follows:

(a) Trustee-Manager's fees

(i) Management fees

The Trustee-Manager is entitled under the Trust Deed to receive the following management fees:

– a Base Fee at the rate of 0.5% per annum of the value of the properties held by the Trust.

– a Performance Fee at the rate of 4% per annum of the net property income of the Trust.

(ii) Postponement, reduction of fees

The Trustee-Manager may postpone the receipt of any fee (or any part of a fee) or charge a lower fee than it is entitled to receive under the Trust Deed.

(iii) Trustee fees

The Trustee-Manager is entitled to receive a trustee fee of up to 0.02% per annum of the value of the properties held by the Trust.

(iv) Acquisition/divestment fees

The Trustee-Manager is entitled to a fee upon the acquisition of an asset by any subsidiary calculated as 1% of the acquisition value of the investment.

The Trustee-Manager is entitled to a fee upon the disposal/divestment of an asset by any subsidiary calculated as 0.5% of the sale value of the investment.

29. RELATED PARTY TRANSACTIONS (continued)

(b) Property Manager's fees

(i) Property management services

For the property management services, the property owner will pay the Property Manager a fee calculated based on 2% of the total property income of each property plus reimbursement of remuneration costs of the personnel employed by the Property Manager who are deployed on-site at the properties to provide property management services.

(ii) Lease management services

For the lease management services, the property owner will pay the Property Manager a fee calculated based on 1% of the total property income of each property.

(iii) General management services

For the general management services, the property owner will pay an apportioned amount of the remuneration cost of the centralized staff employed by the Property Manager for the purposes of providing general management services.

(iv) Marketing services

For the marketing services, the property owner will pay the Property Manager the following commissions:

a. One month's rent (including property and fit-out rental) for every lease with duration of less than one year;

b. One and a half months' rent (including property and fit-out rental) for every lease with a duration of between one and three years;

c. Two months' rent for every lease with duration of more than three but not exceeding ten years;

d. 2% of the total lease payment for the entire lease period for every lease with a duration exceeding ten years;

e. Renewal of an existing lease will be calculated at half of the above commission otherwise payable for a new tenancy; and

f. 2% of the total sale consideration for the sale of property.

Where external property agents are involved in securing a lease, renewal or sale of a property, a 20% mark-up applies to the abovementioned commissions.

29. RELATED PARTY TRANSACTIONS (continued)

(b) Property Manager's fees (continued)

(v) Project management services

For the project management services, the property owner will pay the Property Manager a fee of 2% of the construction cost for development, re-development, refurbishment, retrofitting, addition to and alteration of or renovation carried out in the property.

Some of the Group's transactions and arrangements are with (a) the Trustee-Manager; and (b) the significant corporate Unitholders, Ascendas Pte Ltd, Capitaland Limited and Temasek Holdings (Private) Limited, and their associates. The effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

In addition to the transactions disclosed elsewhere in the financial statements, the following are related party transactions based on agreed terms:

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Companies controlled by a unitholder that has significant influence over the Group:		
Trustee-Manager's fees paid/payable	**11,762**	13,920
Property management services	**2,844**	3,415
Lease management services	**1,422**	1,707
General management fee	**3,629**	4,312
Marketing services	**2,382**	3,145
Project management fees	**583**	464
Rental income received/receivable	**(1,690)**	(1,690)

Acquisition fee

During the financial period, acquisition fee of INR 3 million (equivalent to $58,000) was paid/payable to the Trustee-Manager related to the progress payment on Ascendas Panvel FTWZ Limited ("APFL"). In the previous financial year, acquisition fee of INR 2 million (equivalent to $45,000) was paid/payable to the Trustee-Manager relating to the acquisition of Deccan Real Ventures Private Limited ("DRVPL") and APFL.

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate and foreign currency swaps/options to hedge certain financial risk exposures.

Management is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in Management's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit and Risk Committee ("ARC") 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 risks faced by the Group. The ARC is assisted in its oversight role by the internal auditors. The internal auditors undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of the Trust and its subsidiaries. The currency giving rise to this risk is primarily the SGD. The Group entered into cross currency swaps and options to manage foreign exchange exposure to SGD arising from SGD denominated borrowings.

The Group's distribution to Unitholders is in SGD. To enhance the stability of distribution to Unitholders, the Group entered into forward contracts to hedge a substantial portion of the cash flow it expects to receive. The hedging of INR cash flows receivable from the subsidiaries is effected through a forward sale of INR and purchase of SGD.

In respect of other monetary assets and liabilities held in currencies other than the INR, the Group ensures that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates, where necessary, to address short term imbalances.

30. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's main currency exposure based on the information provided to key management is as follows:

Group	INR $'000	SGD $'000	JPY $'000	USD $'000	HKD $'000	TOTAL $'000
31 December 2019						
Financial assets						
Cash and cash equivalents	77,405	2,115	60	18	–	79,598
Trade and other receivables	26,712	–	–	–	–	26,712
Long term receivables	318,193	–	–	–	–	318,193
Other financial assets	5,265	–	–	–	–	5,265
Total financial assets	427,575	2,115	60	18		429,768
Financial liabilities						
Trade and other payables	(151,218)	(900)	(161)	–	–	(152,279)
Borrowings	–	(528,660)	(162,489)	–	(50,242)	(741,391)
Total financial liabilities	(151,218)	(529,560)	(162,650)	–	(50,242)	(893,670)
Net financial assets/ (liabilities)	276,357	(527,445)	(162,590)	18	(50,242)	(463,902)
Less: Net financial liabilities denominated in the respective entities' functional currencies	(276,357)	–	–	–	–	(276,357)
Currency swaps	–	213,181	161,026	–	50,895	425,102
Currency forwards	–	6,000	–	–	–	6,000
Options	–	100,000	–	–	–	100,000
Net currency exposure	–	(208,264)	(1,564)	18	653	(209,157)

30. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Group	**INR $'000**	**SGD $'000**	**JPY $'000**	**USD $'000**	**TOTAL $'000**
31 March 2019					
Financial assets					
Cash and cash equivalents	106,098	2,351	17	17	108,483
Trade and other receivables	22,149	–	–	–	22,149
Long term receivables	222,106	–	–	–	222,106
Other financial assets	5,469	–	–	–	5,469
Total financial assets	355,822	2,351	17	17	358,207
Financial liabilities					
Trade and other payables	(146,197)	(1,503)	(428)	–	(148,128)
Borrowings	–	(566,198)	(158,080)	–	(724,278)
Total financial liabilities	(146,197)	(567,701)	(158,508)	–	(872,406)
Net financial assets/(liabilities)	209,625	(565,350)	(158,491)	17	(514,199)
Less: Net financial liabilities denominated in the respective entities' functional currencies	(209,625)	–	–	–	(209,625)
Currency swaps	–	279,820	118,206	–	398,026
Currency forwards	–	18,000	–	–	18,000
Options	–	100,000	–	–	100,000
Net currency exposure	–	(167,530)	(40,285)	17	(207,798)

30. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

If SGD, JPY, USD and HKD changes against INR by 10% (31 March 2019: 10%) respectively with all other variables including tax rate being held constant, the effects on profit or loss from the net position will be as follows:

	Group	
	31 December 2019 S$'000	31 March 2019 S$'000
	<—— **Increase/(Decrease)** ——>	
SGD against INR		
– Strengthened	**(20,826)**	(16,753)
– Weakened	**20,826**	16,753
JPY against INR		
– Strengthened	**(156)**	(4,028)
– Weakened	**156**	4,028
USD against INR		
– Strengthened	**2**	2
– Weakened	**(2)**	(2)
HKD against INR		
– Strengthened	**65**	–
– Weakened	**(65)**	–

(ii) *Fair value interest rate risk*

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 minimal interest rate risk as the Group has substantially hedged its floating rate financial liabilities, and its profits after tax and operating cash flows are substantially independent of changes in market interest rates.

(b) *Credit risk*

Credit risk refers to the risk that may arise on outstanding financial instruments should counterparty default on its obligations. Credit risk arising from the inability of a customer to meet the terms of the Group's financial instrument contract is generally limited to the amounts, if any, by which the customer's obligations exceed the obligations of the Group. The Group's and Trust's exposure to credit risk primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with result that the Group's exposure to bad debts is not significant.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Expected Credit Loss

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportable forward-looking information which include, but limited to, the following indicators:

(i) Credit rating or standing;

(ii) Actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

(iii) Actual or expected significant changes in the operating results of the borrower;

(iv) Significant changes in expected performance and behaviour of the borrower, including changes in the payment status or patterns of the borrowers.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payments.

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

(i) A breach of contracts that is not cure or remediate within the stipulated timeframe;

(ii) It is probable that the borrower will enter into bankruptcy or liquidation;

(iii) There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery.

The following are credit risk management practises and quantitative and qualitative information about amounts arising from expected credit losses for each classes of financial assets.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Long-term receivables at amortised cost

The Group compute expected credit loss for this group of financial assets using probability of default approach.

Category	Definition of category	Basis for recognition of expected credit loss provision
Category 1	Assets where there is no identified credit deterioration since initial recognition	12-month expected credit losses
Category 2	Assets where there is no more than insignificant deterioration in credit quality since initial recognition	Lifetime expected credit losses
Category 3	Assets which are identified as impaired	Lifetime expected credit losses

There are no significant changes to estimation technique or assumptions made during the reporting period.

The maximum exposure to loss, without taking into account any collaterals held or other credit enhancements is as listed below:

		31 December 2019 $'000
12-month ECL	Long-term receivables at amortised costs	**318,193**

(ii) Trade and other receivables

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits are received, where appropriate, to reduce credit risk. In addition, the Group monitors the balances due from its tenants on an ongoing basis.

The Group establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses. If the Group is satisfied that no recovery of the amount owing is possible, the financial assets are considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial assets.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk (continued)*

(ii) *Trade and other receivables (continued)*

Exposure to credit risk

The Group use an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated based on the probability of a receivables progressing though successive stages of delinquency to write-off and are based on actual credit loss experience over the past years.

The Group believe that no allowance for impairment is necessary in respect of trade receivables with sufficient security deposits as collateral. The Group provide ECL in respect of those trade receivables with balances in excess of security deposits.

(c) *Liquidity risk*

Management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, Management also monitors and observes the bank covenants imposed by the banks on the various borrowings.

The table below analyses the maturity profile of the Group's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

Group	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
31 December 2019				
Net-settled swaps	**(20,760)**	**(16,764)**	**(18,635)**	**–**
Net-settled options	**(4,576)**	**(4,563)**	**(7,762)**	**–**
Net-settled currency forwards	**(9)**	**–**	**–**	**–**
Trade and other payables	**(101,154)**	**(51,124)**	**–**	**–**
Borrowings (including interest)	**(193,351)**	**(61,413)**	**(523,613)**	**–**
	(319,850)	**(133,864)**	**(550,010)**	**–**
31 March 2019				
Net-settled swaps	(19,313)	(14,594)	(20,481)	–
Net-settled options	(4,449)	(4,437)	(10,891)	–
Net-settled currency forwards	(161)	–	–	–
Trade and other payables	(92,802)	(55,326)	–	–
Borrowings (including interest)	(236,313)	(103,180)	(419,506)	–
	(353,038)	(177,537)	(450,878)	–

The Group and Trust manage the liquidity risk by maintaining sufficient cash from borrowings and cash generated from operations to enable them to meet their capital expenditure and operating commitments.

30. FINANCIAL RISK MANAGEMENT (continued)

(d) *Capital risk*

Management's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the Trust Deed to fund future acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, Management may issue new units or source for additional borrowing from both financial institutions and capital markets.

Management monitors capital based on gearing ratio. As provided for in the Trust Deed, the maximum gearing ratio currently applicable is 45%.

The gearing ratio is calculated as total effective borrowings, which takes into account deferred consideration and the derivative financial instruments used to hedge borrowings, divided by value of Trust Property.

	Group	
	31 December 2019 $'000	31 March 2019 $'000
Total effective borrowings	**718,857**	717,249
Value of Trust Property	**2,577,372**	2,318,922
Gearing ratio	**28%**	31%

Trust Property consists of all property and rights of any kind whatsoever which are held on trust for the Unitholders, in accordance with the terms of the Trust Deed.

The Group is in compliance with the borrowing limit requirements imposed by the Trust Deed and all externally imposed capital requirements for the financial period/year ended 31 December and 31 March 2019.

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE

(a) *Accounting classifications*

The financial assets and liabilities, together with the carrying amounts shown in the balance sheets are as follows:

Group	Note	Fair value through profit or loss $'000	Fair value – hedging instrument $'000	Financial assets carried at amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 December 2019						
Financial assets						
Cash and cash equivalents	11	**–**	**–**	**79,598**	**–**	**79,598**
Other financial assets		**–**	**–**	**5,265**	**–**	**5,265**
Trade and other receivables		**–**	**–**	**26,712**	**–**	**26,712**
Long term receivables	17	**–**	**–**	**318,193**	**–**	**318,193**
Currency forwards	18	**52**	**–**	**–**	**–**	**52**
Currency swaps	18	**–**	**25,632**	**–**	**–**	**25,632**
Options	18	**–**	**335**	**–**	**–**	**335**
		52	**25,967**	**429,768**	**–**	**455,787**
Financial liabilities						
Trade and other payables		**–**	**–**	**–**	**152,277**	**152,277**
Borrowings	26	**–**	**–**	**–**	**741,391**	**741,391**
Currency swaps	18	**–**	**1,710**	**–**	**–**	**1,710**
Options	18	**–**	**1,515**	**–**	**–**	**1,515**
Interest rate swaps	18	**–**	**260**	**–**	**–**	**260**
		–	**3,485**	**–**	**893,668**	**897,153**
31 March 2019						
Financial assets						
Cash and cash equivalents	11	–	–	108,483	–	108,483
Other financial assets		–	–	5,469	–	5,469
Trade and other receivables		–	–	22,149	–	22,149
Long term receivables	17	–	–	222,106	–	222,106
Currency forwards	18	1	–	–	–	1
Currency swaps	18	–	15,017	–	–	15,017
Options	18	–	43	–	–	43
		1	15,060	358,207	–	373,268
Financial liabilities						
Trade and other payables		–	–	–	148,128	148,128
Borrowings	26	–	–	–	724,278	724,278
Currency swaps	18	–	2,682	–	–	2,682
Options	18	–	4,225	–	–	4,225
Interest rate swaps	18	–	101	–	–	101
		–	7,008	–	872,406	879,414

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(a) *Accounting classifications (continued)*

Trust	Note	Fair value through profit or loss $'000	Fair value – hedging instrument $'000	Financial assets carried at amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
31 December 2019						
Financial assets						
Cash and cash equivalents	11	**–**	**–**	**1,967**	**–**	**1,967**
Loans to subsidiaries	15	**–**	**–**	**722,399**	**–**	**722,399**
Trade and other receivables	16	**–**	**–**	**3,141**	**–**	**3,141**
Currency forwards	18	**52**	**–**	**–**	**–**	**52**
Currency swaps	18	**–**	**25,632**	**–**	**–**	**25,632**
Options	18	**–**	**335**	**–**	**–**	**335**
		52	**25,967**	**727,507**	**–**	**753,526**
Financial liabilities						
Trade and other payables	24	**–**	**–**	**–**	**51,797**	**51,797**
Borrowings	26	**–**	**–**	**–**	**741,391**	**741,391**
Currency swaps	18	**–**	**1,710**	**–**	**–**	**1,710**
Options	18	**–**	**1,515**	**–**	**–**	**1,515**
Interest rate swaps	18	**–**	**260**	**–**	**–**	**260**
		–	**3,485**	**–**	**793,188**	**796,673**
31 March 2019						
Financial assets						
Cash and cash equivalents	11	–	–	2,280	–	2,280
Loans to subsidiaries	15	–	–	699,789	–	699,789
Trade and other receivables		–	–	960	–	960
Currency forwards	18	1	–	–	–	1
Currency swaps	18	–	15,017	–	–	15,017
Options	18	–	43	–	–	43
		1	15,060	703,029	–	718,090
Financial liabilities						
Trade and other payables		–	–	–	39,077	39,077
Borrowings	26	–	–	–	724,278	724,278
Currency swaps	18	–	2,682	–	–	2,682
Options	18	–	4,225	–	–	4,225
Interest rate swaps	18	–	101	–	–	101
		–	7,008	–	763,355	770,363

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(a) *Accounting classifications (continued)*

The carrying values of fixed rate medium term note and deposit approximate their fair values. The fair values are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

The carrying value of the borrowings are reasonable approximation of their fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying value less impairment provision of trade receivables and the carrying value of payables are assumed to approximate their fair values.

The carrying value of other financial assets (current), trade and other payables (current) and borrowings (current), are reasonable approximation of their fair values due to their short-term nature.

(b) *Fair value hierarchy*

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 – Unobservable inputs for the asset or liability.

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements*

(i) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
31 December 2019			
Recurring fair value measurements			
Assets			
Financial assets:			
Derivative financial instruments			
– Currency forwards	52	–	52
– Currency swaps	25,632	–	25,632
– Options	335	–	335
Total financial assets	26,019	–	26,019
Non-financial assets:			
Investment properties	–	1,885,171	1,885,171
Investment properties under construction	–	174,795	174,795
Total non-financial assets	–	2,059,966	2,059,966
Liabilities			
Financial liabilities:			
Derivative financial instruments			
– Currency swaps	1,710	–	1,710
– Options	1,515	–	1,515
– Interest rate swaps	260	–	260
Total financial liabilities	3,485	–	3,485

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements (continued)*

(ii) *Assets and liabilities measured at fair value*

Group	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
31 March 2019			
Recurring fair value measurements			
Assets			
Financial assets:			
Derivative financial instruments			
– Currency forwards	1	–	1
– Currency swaps	15,017	–	15,017
– Options	43	–	43
Total financial assets	15,061	–	15,061
Non-financial assets:			
Investment properties	–	1,711,733	1,711,733
Investment properties under construction	–	206,065	206,065
Total non-financial assets	–	1,917,798	1,917,798
Liabilities			
Financial liabilities:			
Derivative financial instruments			
– Currency swaps	2,682	–	2,682
– Options	4,225	–	4,225
– Interest rate swaps	101	–	101
Total financial liabilities	7,008	–	7,008

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements (continued)*

(i) *Level 2 fair value measurements*

As at 31 December 2019, the Group has currency forwards, interest rate swaps and currency swaps/options, which are categorised in Level 2. The fair value of currency forwards is determined using mark-to-market valuation, which is calculated on the basis of quoted forward exchange rates at the end of the reporting period, received from respective banking and financial institutions. The fair values of interest rate swaps and currency swaps/options are also determined using mark-to-market valuation, which is calculated as the present value of the estimated future cash flows, received from respective banking and financial institutions. These derivative financial instruments are recognised at fair value in the financial statements.

(ii) *Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Group	Fair value $'000	Valuation techniques	Unobservable inputs	Range
31 December 2019				
Recurring fair value measurements				
– Investment properties	**1,885,171**	Discounted cash flow method, income capitalisation method	Discount rate, capitalisation rate	**11.75 – 17.00%** **8.75 – 9.50%**
– Investment properties under construction	**174,795**			

Description	Fair value $'000	Valuation techniques	Unobservable inputs	Range
31 March 2019				
Recurring fair value measurements				
– Investment properties	1,711,733	Discounted cash flow method, income capitalisation method	Discount rate, capitalisation rate	12.00 – 14.30% 9.00 – 9.50%
– Investment properties under construction	206,065			

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) Fair value measurements (continued)

(ii) Level 3 fair value measurements (continued)

The valuation of investment properties and investment properties under construction is determined through the two approaches, income capitalisation and discounted cash flow. The income capitalisation approach involves capitalising a single year's net property income estimate by an appropriate yield, whereas, the discounted cash flow approach explicitly models future net income from the property which is then discounted to a present value at an appropriate discount rate. The final valuations determined are an average of the two approaches employed by Savills Property Services (India) Private Limited.

32. COMMITMENTS

As at the end of the reporting period, the Group had the following commitments:

(a) Development and investment expenditure

	31 December 2019 $'000	31 March 2019 $'000
Amounts approved and contracted for		
– Investment	**335,749**	200,036
– Development	**107,004**	124,205
Amounts approved but not contracted for		
– Development	**20,747**	12,213
	463,500	336,454

As at 31 December 2019, amount approved and contracted for includes:

(i) $101,376,000 (31 March 2019: 118,384,000) pertaining to the acquisition of two IT buildings at Navi Mumbai.

(ii) $96,254,000 (31 March 2019: $nil) pertaining to the acquisition of two buildings in Hyderabad.

(iii) $115,716,000 (31 March 2019: $nil) pertaining to the acquisition of IT building at Pune.

(iv) $22,403,000 (31 March 2019: $nil) pertaining to the acquisition of FTWZ warehouses at Panvel.

(v) $107,004,000 (31 March 2019: $124,205,000) pertaining to investment properties under construction in ITPL and VITP.

As of 31 March 2019, acquisition of two buildings in Hitec City 2 Special Economic Zone in Hyderabad amounted to $81,652,000 had been approved and contracted for.

32. COMMITMENTS (continued)

(b) Operating lease commitments – where a group company is a lessor

The Group leases out investment properties under operating leases with varying terms, escalation clauses and renewal rights.

The future minimum lease receivable under operating leases contracted for at the end of the reporting period but not recognised as receivables is analysed as follows:

	31 December 2019 $'000	31 March 2019 $'000
Lease receivables:		
– Within 1 year	**73,721**	86,284
– After 1 year but within 5 years	**96,125**	109,350
– After 5 years	**1,781**	7,180
	171,627	202,814

33. OPERATING SEGMENT

The Group's investment properties are primarily tenanted for use as business space and are located in India. No other business or geographical segments account for more than 10% of the base rent as at 31 December 2019. Therefore, the Manager considers that the Group operates within a single business segment and within a single geographical segment in India.

34. CONTINGENT LIABILITIES

The Group has the following contingent liabilities and independent tax or legal opinions were obtained to support the Management position that these claims are contingent in nature, and accordingly no provision was made.

(a) Disputed tax positions

International Technology Park Limited ("ITPL") operates both Special Economic Zone ("SEZ") and non-SEZ properties. Interest expense attributable to non-SEZ properties, was apportioned between SEZ and non-SEZ properties. This resulted in additional tax demanded of INR 32 million (equivalent to $613,000) in assessment year 2014-15 and 2016-17. ITPL had filed an appeal.

Cyber Pearl Information Technology Park Private Limited ("Cyber Pearl") entered into an agreement with Mindtree Limited to acquire a building in CyberVale IT Special Economic Zone ("SEZ") in Chennai. Cyber Pearl sought an exemption for stamp duty under SEZ. However, Cyber Pearl received a stamp duty notice demanding INR 62 million, for which INR 45 million was already paid under protest. Cyber Pearl had filed an appeal.

34. CONTINGENT LIABILITIES (continued)

(a) *Disputed tax positions (continued)*

Hyderabad Infratech Pvt Ltd ("HIPL") received income tax demand, including penalties and interest, of INR 201 million (equivalent to $3,812,000) for assessment year 2013-14, 2014-15, 2015-16 and 2016-17. This pertained to interest expense on Fully and Compulsorily Convertible Debenture ("FCCD") where the assessing officer deemed that the appropriate interest rate benchmark was LIBOR plus 2% and the excess interest was disallowed; together with difference in lease rental income treatment for the assessment year 2015-16 and 2016-17. HIPL was of the view that LIBOR was used to benchmark foreign currency loans and should not be considered as an appropriate benchmark for interest on FCCD issued on INR (i.e. domestic currency of HIPL). The above adjustments will have consequential impact in the utilisation of business losses and unabsorbed depreciation together with the deduction under section 801AB in subsequent assessment years.

(b) *Service tax disputes*

ITPL received orders from the Commissioner of Service Tax disallowing the availment of service tax credit relating to construction costs, generation of electricity and maintenance of power plant and other miscellaneous items for the period from October 2006 to September 2016, which estimated to be INR 101 million. During the financial period, ITPL has opted to apply the Indirect Tax Amnesty Scheme related to the service tax litigation for the period from October 2006 to March 2011, which amounted to INR 62 million. ITPL has subsequently provided for INR 15 million. Therefore, the potential tax exposure, including penalty is estimated to be INR 39 million (equivalent to $743,000).

Ascendas IT Park (Chennai) Limited ("AITPCL") received service tax assessment orders, including penalties and interest, disallowing the availment of service tax credit relating to construction costs used for rental of immovable property services and demand of service tax on electricity, water charges and fit-out for the period from October 2005 to September 2015. As at 31 December 2019, the total service tax in dispute not recognised in the financial statements, including penalties and interest, amounts to INR 893 million (equivalent to $16,941,000). AITPCL obtained opinion from its independent tax consultant who was of the view that AITPCL was eligible to avail the credit relating to construction costs while electricity, water and fit-out charges were not subject to service tax. A petition against this assessment was filed before the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") for the period October 2005 to March 2010 and Commissioner of Service Tax for the period April 2010 to September 2015. AITPCL has received a favourable order to set aside the claims of INR 665 million (equivalent to $12,615,000), out of which Service Tax department only contested on service tax amount of INR537 million (equivalent to $10,187,000). The balance of INR 356 million (equivalent to $6,753,000) represents the claim from the department for period from April 2010 to October 2016 on account of similar matters.

VITP Private Limited ("VITP") had received service tax notices from the Service Tax Department on reimbursable expenditure, termination charges received from tenants and recovery of credit availed for the period June 2007 to September 2015. The potential tax exposure, including penalty attributable to such demand notices is estimated to be INR 216 million (equivalent to $4,103,000).

HIPL provides renting of immovable property services and maintenance or repair services to the units located in the SEZ premises. HIPL has claimed exemption from payment of service tax, when the services are provided to the SEZ unit/developer for their authorised operations. HIPL was served with Show Cause Notice demanding payment of service tax with applicable interest and penalty on the grounds that HIPL has not paid service tax in all such cases where it has not been able to produce the required forms to avail service tax exemption. The Commissioner passed a final order holding that service tax amounting to INR 42 million (equivalent to $829,000), along with interest and equivalent penalty of INR 42 million (equivalent to $829,000) is payable. HIPL has filed an appeal before CESTAT.

34. CONTINGENT LIABILITIES (continued)

(c) *Value-added tax on fit-out rental*

VITP and Cyber Pearl received demand notices from the Commercial Tax Department of Andhra Pradesh levying Value-Added Tax ("VAT") on lease rentals attributable to fit-outs. VITP and Cyber Pearl obtained opinion from an independent legal counsel who was of the view that VAT was liable to be paid by VITP and Cyber Pearl only as the consideration received towards movable portion of fit-outs and accordingly appeals against such demand notices were filed. The potential tax exposure, attributable to such demand notices which are not recognised in these financial statements, were estimated to be INR 58 million (equivalent to $1,095,000) for VITP and INR 7 million (equivalent to $134,000) for Cyber Pearl.

(d) *Transfer pricing disputes*

In ITPL, the difference in redemption price and the price as determined by the income tax department was treated as deemed dividends by ITPL in assessment years 2009-10 and 2010-11. The redemption of preference shares was not an income bearing international transaction which affected the profitability of the ITPL and did not have any income implications. Though no additional tax was demanded in the orders, the orders will have an tax impact of reducing the recorded MAT credit entitlement and carried forward business loss by INR 262 million (equivalent to $4,973,000).

In VITP, the difference in buyback price and the fair value of the share as determined by the income tax department, was treated as an income of VITP in assessment years 2011-12, 2012-13, 2013-14 and 2014-15. Pursuant to rectification petition where the available MAT credits were earlier utilised for abovementioned assessment years, the Assessing Office has passed a rectification order during the financial period and the potential tax exposure attributable, not recognised in the financial statements was estimated to be INR 252 million (equivalent to $4,777,000).

(e) *Water supply and sanitary connection charges*

ITPL had received a demand notice from Bangalore Water Supply and Sewerage Board ("BWSSB") towards pro-rata and other charges for water supply and sanitary connection amounting to INR 239 million. ITPL has replied to the notice contesting the demand as Management was of the view that no such charges were payable by ITPL as no new water connection was sought in the past.

BWSSB subsequently clarified that the pro-rata charges would be levied only on the buildings constructed after November 2008 (when the new regulations came into effect) and a portion of the sanitation treatment charges may be waived off since ITPL has its own sewage treatment plant. During the last financial year, based on the discussion with the authorities, ITPL has provided INR 139 million (equivalent to $2,637,000).

During the financial period, ITPL had received information from BWSSB online portal that total water supply and sanitary connection amounting to INR 242 million (equivalent to $4,591,000). ITPL had provided INR 41 million for the Anchor building which completed during the current financial period. Therefore, the potential water supply and sanitary connection decreased to INR 62 million (equivalent to $1,176,000).

(f) *Property tax disputes*

ITPL had received demand notice of INR 398 million (equivalent to $7,553,000) from Bruhat Bengaluru Mahanagara Palike ("BBMP") towards differential property tax paid on self-assessment basis and survey conducted by BBMP for the period 2008-09 to 2017-18. ITPL has filed an appeal.

35. COMPARATIVE FIGURES

The comparative figures presented in the financial statements are not comparable as the prior period figures cover the twelve-month period from 1 April 2018 to 31 March 2019, while the current period figures cover the nine-month period from 1 April 2019 to 31 December 2019 due to a change of financial year from 31 March to 31 December.

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 February 2020, based on the 2020 Union Budget for India, 20.56% dividend distribution tax ("DDT") on dividends applicable to domestic companies is proposed to be abolished. The Group is currently in the process of assessing the potential impact of abolition and the finality of the said proposed amendment to domestic tax laws.

37. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager, Ascendas Property Fund Trustee Pte. Ltd. on 12 February 2020.

TRUSTEE-MANAGER FINANCIAL STATEMENTS

ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

DIRECTORS' STATEMENT

For the financial period from 1 April 2019 to 31 December 2019

The Directors are pleased to present their statement to the shareholder together with the audited financial statements of Ascendas Property Fund Trustee Pte. Ltd. (in its personal capacity and not as Trustee-Manager of Ascendas India Trust) (the "Company") for the financial period from 1 April 2019 to 31 December 2019.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flow of the Company for the period from 1 April 2019 to 31 December 2019, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Chiang Chie Foo	(Chairman)
Mr Manohar Khiatani	(Deputy Chairman)
Mr Sanjeev Dasgupta	
Mr Alan Rupert Nisbet	
Mr T.V. Mohandas Pai	
Mrs Zia Jaydev Mody	
Mr Jonathan Yap Neng Tong	

CHANGE OF FINANCIAL YEAR-END

Pursuant to the Directors' resolution passed on 29 November 2019, it was resolved that the financial year-end of the Company be changed from 31 March to 31 December. The current financial period is from 1 April 2019 to 31 December 2019.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' interests in contracts which arose before their appointment as Directors are not set out herein.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial period (including those held by spouses and infant children) in shares or debentures of the Company, or of its related corporations, are as follows:

		Holdings in the name of the Director, spouse and/or infant children	
		At 1 April 2019	**At 31 December 2019**
Intermediate Holding Company			
CapitaLand Limited^			
Ordinary Shares			
Mr Chiang Chie Foo		35,000	35,000
Mr Manohar Khiatani		40,000	40,000
Mr Jonathan Yap Neng Tong		169,362	169,362
Contingent award of Performance shares[1] to be delivered after 2021			
Mr Manohar Khiatani	(88,039 shares)	–	0 to 176,078[3]
Mr Jonathan Yap Neng Tong	(192,086 shares)	–	0 to 384,172[3]
Contingent award of Restricted shares[2] to be delivered after 2019			
Mr Manohar Khiatani	(112,050 shares)	–	0 to 168,075[4,5]
Mr Jonathan Yap Neng Tong	(208,093 shares)	–	0 to 312,139[4,5]
Ascendas Pte Ltd			
S$200,000,000 3.50% Fixed Rate Notes due 2023			
Mr Chiang Chie Foo		S$250,000	S$250,000
S$200,000,000 3.14% Notes due 2025			
Mr Chiang Chie Foo		S$250,000	S$250,000
CapitaLand Treasury Limited^			
S$500,000,000 3.80% Fixed Rate Notes due 2024			
Mr Chiang Chie Foo		S$250,000	S$250,000
S$500,000,000 3.65% Fixed Rate Subordinated Perpetual Notes			
Mr Chiang Chie Foo		S$250,000	S$250,000
Mr Jonathan Yap Neng Tong		–	S$250,000
Mapletree Treasury Services (HKSAR) Limited^			
Perpetual Securities: S$200,000,000 2.888% Notes due 2021			
Mr Chiang Chie Foo		S$250,000	S$250,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the Director, spouse and/or infant children	
	At 1 April 2019	At 31 December 2019
Mapletree Treasury Services Limited^		
S$700,000,000 3.95% Subordinated Perpetual Securities		
Mr Chiang Chie Foo	S$250,000	S$250,000
Singapore Airlines Limited^		
Ordinary Shares		
Mr Manohar Khiatani	4,000	4,000
S$700,000,000 3.035% Fixed Rate Notes due 2025		
Mr Chiang Chie Foo	S$250,000	S$250,000
S$600,000,000 3.16% Fixed Rate Notes due 2023		
Mr Chiang Chie Foo	S$250,000	S$250,000
Singapore Technologies Telemedia Pte Ltd^		
S$350,000,000 5% Subordinated Perpetual Securities		
Mr Chiang Chie Foo	S$250,000	S$250,000
Singapore Telecommunications Limited^		
Ordinary Shares		
Mr Chiang Chie Foo	9,280	9,280
Mr Jonathan Yap Neng Tong	380	380
Starhub Ltd^		
Ordinary Shares		
Mr Chiang Chie Foo	20,000	20,000

Notes:
1 Performance shares are shares under awards pursuant to the CapitaLand Performance Share Plan 2010.
2 Restricted shares are shares under awards pursuant to the CapitaLand Restricted Share Plan 2010.
3 The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award.
4 The final number of shares to be released will depend on the achievement of pre-determined targets at the end of a one-year performance period and the release will be over a vesting period of three years. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 150% of the baseline award.
5 An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the CapitaLand Restricted Share Plan 2010, will also be released on the final vesting.
^ This entity became a related corporation of the Company on 28 June 2019 upon the completion of the acquisition by CapitaLand Limited and its nominated subsidiary of the issued shares of Ascendas Pte Ltd and Singbridge Pte. Ltd..

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

Except as disclosed in this statement, no Director who held office at the end of the financial period had interest in shares, debentures, options or awards of the Company, or of related corporations either at the beginning of the financial period, or date of appointment if later, or at the end of the financial period.

SHARE OPTIONS

There were no options granted during the financial period to subscribe for unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

INDEPENDENT AUDITOR

KPMG LLP were appointed as the auditors of the Company with effect from 30 December 2019. The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors:

MANOHAR KHIATANI
Director

SANJEEV DASGUPTA
Director

12 February 2020

INDEPENDENT AUDITORS' REPORT

For the financial period from 1 April 2019 to 31 December 2019

MEMBER OF THE COMPANY
ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Property Fund Trustee Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial period from 1 April 2019 to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 225 to 247.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Company for the period from 1 April 2019 to 31 December 2019 .

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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report of the Company. Other information is defined as all information in the annual report of the Company other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 Management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company 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.

Auditors' responsibilities for the audit of the financial statements (continued)

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

Other matters

The financial statements for the year ended 31 March 2019 were audited by another firm of Chartered Accountants whose report dated 10 May 2019 expressed an unmodified opinion on those statements.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 February 2020

STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 April 2019 to 31 December 2019

	Note	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Revenue	4	**11,762**	13,920
Other income	5	**5,353**	2,219
Expenses			
Depreciation of plant and equipment	9	**(2)**	(1)
Employee compensation	6	**(3,121)**	(4,187)
Other operating expenses	7	**(1,832)**	(2,072)
Total expenses		**(4,955)**	(6,260)
Profit Before Tax		**12,160**	9,879
Tax expenses	8	**(1,178)**	(1,389)
Net Profit After Tax		**10,982**	8,490
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Net fair value gain on equity instruments at fair value through other comprehensive income ("FVOCI")		**19,449**	9,643
Total Comprehensive Income for the period/year		**30,431**	18,133

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2019

	Note	31/12/2019 $'000	31/3/2019 $'000
ASSETS			
Non-current assets			
Deferred tax assets	8	**20**	19
Plant and equipment	9	**7**	3
Investment securities	10	**87,191**	61,708
		87,218	61,730
Current assets			
Trade and other receivables	11	**10,933**	10,560
Cash and cash equivalents	12	**839**	–
Prepayments		**12**	18
		11,784	10,578
Total assets		**99,002**	72,308
LIABILITIES			
Current liabilities			
Other payables	13	**3,202**	5,027
Current tax liabilities		**2,139**	2,287
		5,341	7,314
Non-current liability			
Other payables	13	**236**	–
Total liabilities		**5,577**	7,314
NET ASSETS		**93,425**	64,994
EQUITY			
Share capital	14	**1,000**	1,000
Fair value reserve	15	**35,350**	15,901
Revenue reserve		**57,075**	48,093
Total equity		**93,425**	64,994

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 31 December 2019

	Note	Share capital $'000	Fair value reserve $'000	Revenue reserve $'000	Total equity $'000
31 December 2019					
As at 1 April 2019		**1,000**	**15,901**	**48,093**	**64,994**
Profit for the period		**–**	**–**	**10,982**	**10,982**
Other comprehensive income:					
Net fair value gain on equity instruments at FVOCI	10	**–**	**19,449**	**–**	**19,449**
Total comprehensive income for the period		**–**	**19,449**	**10,982**	**30,431**
Transactions with owner, recorded directly in equity					
Dividends	16	**–**	**–**	**(2,000)**	**(2,000)**
As at 31 December 2019		**1,000**	**35,350**	**57,075**	**93,425**
31 March 2019					
As at 1 April 2018		1,000	6,258	41,603	48,861
Profit for the year		–	–	8,490	8,490
Other comprehensive income:					
Net fair value gain on equity instruments at FVOCI	10	–	9,643	–	9,643
Total comprehensive income for the year		–	9,643	8,490	18,133
Transactions with owner, recorded directly in equity					
Dividends	16	–	–	(2,000)	(2,000)
As at 31 March 2019		1,000	15,901	48,093	64,994

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

CASH FLOW STATEMENT

For the financial period from 1 April 2019 to 31 December 2019

	Note	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Operating activities			
Net profit after tax		**10,982**	8,490
Adjustments for:			
Tax expenses	8	**1,178**	1,389
Depreciation of plant and equipment	9	**2**	1
Distribution income	5	**(5,353)**	(2,219)
Fund management fee received/receivable in units of listed property trust		**(5,714)**	(6,774)
Operating cash flows before changes in working capital		**1,095**	887
Changes in working capital			
Trade and other receivables		**(693)**	442
Prepayments		**6**	6
Other payables		**(1,589)**	578
Cash flows (used in)/from operations		**(1,181)**	1,913
Tax paid		**(1,327)**	(2,129)
Net cash flows used in operating activities		**(2,508)**	(216)
Investing activities			
Purchase of property, plant and equipment		**(6)**	(3)
Distribution received from investment securities		**5,353**	2,219
Net cash flows from investing activities		**5,347**	2,216
Financing activity			
Dividends paid		**(2,000)**	(2,000)
Net cash flows used in financing activity		**(2,000)**	(2,000)
Net increase in cash and cash equivalents		**839**	–
Cash and cash equivalents at beginning of financial period/year		**–**	–
Cash and cash equivalents at end of financial period/year		**839**	–

Significant non-cash transactions

During the period ended 31 December 2019, the Company received 4,761,555 units (31 March 2019: 6,272,150 units) in Ascendas India Trust ("a-iTrust"), amounting to $6.03 million (31 March 2019: $6.48 million) as payment of base fee for the period from January 2019 to September 2019 (31 March 2019: January 2018 to December 2018) and performance fee for the period from April 2018 to March 2019 (31 March 2019: April 2017 to March 2018).

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

1. CORPORATE INFORMATION

Ascendas Property Fund Trustee Pte. Ltd. (the "Company") is a limited liability company, domiciled and incorporated in Singapore.

Its immediate holding company, intermediate holding company and ultimate holding company are Ascendas Investment Pte Ltd, CapitaLand Limited and Temasek Holdings (Private) Limited respectively. All companies are incorporated in Singapore.

The registered office and principal place of business of the Company is located at 1 Fusionopolis Place, #10-10 Galaxis, Singapore 138522.

The principal activities of the Company are those relating to investment advisor, property fund management and to act as fund manager and trustee for Ascendas India Trust ("a-iTrust"), a business trust listed on the Singapore Exchange Securities Trading Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars and all values presented are rounded to the nearest thousand ("$'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to Illustrative Examples, Implementation Guidance and FRS Practice Statements	1 January 2020
FRS 117 *Insurance Contracts*	1 January 2021
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Company expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Management fee*

Management fees comprise of fund management fee, trustee fee and performance fee which is recognised in profit or loss as and when services are rendered.

(b) *Acquisition and divestment fee*

Acquisition and divestment fee is recognised in profit or loss as and when services are rendered.

2.5 Other income

Distribution income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

2.6 Plant and equipment

(a) *Measurement*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (Note 2.7).

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

(b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over the estimated useful lives as follows:

	Useful lives
Computers, furniture and equipment	3 to 5 years

The residual values, depreciation method and estimated useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each end of reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 Impairment of non-financial assets

Plant and equipment are reviewed for impairment at each end of reporting period or whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the asset's recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial assets

(a) *Initial recognition and measurement*

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(b) *Subsequent measurement*

(i) *Financial assets at amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) *Equity investments at fair value through other comprehensive income ("FVOCI")*

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Gains or losses recognised in other comprehensive income are never reclassified from equity to profit or loss. However, the Company may transfer the FVOCI equity reserves within equity. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

(c) *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 profit or loss.

(d) *Impairment*

The Company assesses on a forward looking basis the expected credit losses ("ECLs") associated with its financial assets carried at amortised cost. For trade and other receivables, the general approach is applied. A loss allowance is recognised based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(e) *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.9 Financial liabilities

(a) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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.

(b) *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit of loss are subsequently measured at amortised cost, using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(c) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.10 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the end of reporting period. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts due to their short-term nature.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Income taxes

(a) *Current tax*

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period, in the countries where the Company operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and unused tax loss, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax loss can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from fair value gains and losses on equity instruments at FVOCI are charged or credited directly to equity in the same period the temporary differences arise.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Provisions

Provisions are recognised when the Company 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.

Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Employee compensation

(a) *Defined contribution plans*

Contribution to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of reporting period.

(c) *Employee compensation scheme*

The Company operates the following share-based employee compensation schemes: Ascendas Property Fund Trustee Pte Ltd ("APFT") Performance Unit Plan 2019 and APFT Restricted Unit Plan 2019 (collectively referred to as the "APFT Unit Plans").

For cash-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

2.14 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The Company's financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Currency translation (continued)

(b) Transactions and balances

Transactions in currencies other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are measured. Currency translation differences on non-monetary items whereby the gains or losses are recognised directly in equity, such as equity instruments at FVOCI are included in the fair value reserve.

2.15 Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents comprise cash at bank with financial institutions which are subject to an insignificant risk of change in value, but exclude balances which are subjected to restriction.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

2.17 Dividend

Interim dividends are recorded in the financial year in which the dividends are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. REVENUE

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Fund management fee from a-iTrust	**7,098**	8,259
Trustee fee from a-iTrust	**277**	323
Performance fee from a-iTrust	**4,329**	5,292
Acquisition fee from a-iTrust	**58**	46
	11,762	13,920

5. OTHER INCOME

Other income comprise the following:

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Distribution income from a-iTrust	**5,353**	2,219

6. EMPLOYEE COMPENSATION

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Salaries, wages and employee benefits	**2,852**	4,002
Employer's contributions to defined contribution plans including Central Provident Fund	**269**	185
	3,121	4,187

7. OTHER OPERATING EXPENSES

Other operating expenses comprise the following:

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Professional fees		
– related company	**1,269**	1,273
– non-related parties	**15**	19
Travel expenses	**7**	9
Communication expenses	**17**	32
Insurance	**39**	47
Directors' fees	**297**	506
Rental expenses recharged by a related company	**134**	142
Others	**54**	44
	1,832	2,072

8. TAX EXPENSES

(a) *Income tax expenses*

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Tax expense attributable to profit is made up of:		
Current tax expense		
– based on current period's/year's results	**1,179**	1,361
– under provision in respect of prior years	**–**	25
Deferred tax expense		
– origination and reversal of temporary differences	**(1)**	3
Income tax expenses recognised in profit or loss	**1,178**	1,389

8. TAX EXPENSES (continued)

(a) *Income tax expenses (continued)*

A reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the financial period from 1 April 2019 to 31 December 2019 is as follows:

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Profit before tax	**12,160**	9,879
Income tax using the statutory tax rate of 17% (31 March 2019: 17%)	**2,067**	1,679
Effect of partial tax exemption	**(17)**	(17)
Tax effect of non-deductible expenses	**38**	79
Income not subject to tax	**(910)**	(377)
Under provision in respect of prior years	**–**	25
Income tax expenses recognised in profit or loss	**1,178**	1,389

(b) *Deferred tax assets/(liabilities)*

	Period from 1/4/2019 to 31/12/2019 $'000	Year ended 31/3/2019 $'000
Plant and equipment	**(1)**	#
Provisions	**21**	19
	20	19

Movements in the deferred tax account are as follows:

	Balance as at 1/4/2018 $'000	**Recognised in profit or loss $'000**	**Balance as at 31/3/2019 and 1/4/2019 $'000**	**Recognised in profit or loss $'000**	**Balance as at 31/12/2019 $'000**
Plant and equipment	#	#	#	(1)	**(1)**
Provisions	22	(3)	19	2	**21**
	22	(3)	19	1	**20**

\# Less than $1,000

9. PLANT AND EQUIPMENT

	Computers, furniture and equipment $'000
At 31 December 2019	
Cost	
Balance at beginning of financial period	**43**
Additions	**6**
Balance at end of financial period	**49**
Accumulated depreciation	
Balance at beginning of financial period	**40**
Depreciation charge	**2**
Balance at end of financial period	**42**
Net book value	
Balance at end of financial period	**7**
At 31 March 2019	
Cost	
Balance at beginning of financial year	40
Additions	3
Balance at end of financial year	43
Accumulated depreciation	
Balance at beginning of financial year	39
Depreciation charge	1
Balance at end of financial year	40
Net book value	
Balance at end of financial year	3

10. INVESTMENT SECURITIES

	31/12/2019 $'000	31/3/2019 $'000
Balance at beginning of financial period/year	**61,708**	45,584
Additions	**6,034**	6,481
Fair value gain recognised in equity (Note 15)	**19,449**	9,643
Balance at end of financial period/year	**87,191**	61,708
Investment securities:		
Quoted equity securities – Singapore	**87,191**	61,708

11. TRADE AND OTHER RECEIVABLES

	31/12/2019 $'000	31/3/2019 $'000
Trade receivables		
– a-iTrust	**7,063**	7,571
Other receivables		
– a-iTrust	**105**	367
– other related companies	**3,765**	2,621
– non-related parties	**–**	1
	3,870	2,989
	10,933	10,560

Trade receivables are non-interest bearing and are to be settled in the form of cash and/or units from a-iTrust as the Company elects. As at 31 December 2019, trade receivables arising from a-iTrust amounting to $3,426,000 (31 March 2019: $3,746,000) are arranged to be settled via the issuance of units by a-iTrust.

Other receivables from other related companies are unsecured, interest-free and repayable on demand in cash.

Expected credit losses

At the end of the reporting period, there is no allowance for doubtful debt arising from these outstanding balances as the ECL is immaterial.

12. CASH AND CASH EQUIVALENTS

	31/12/2019 $'000	31/3/2019 $'000
Cash at bank	**839**	–

13. OTHER PAYABLES

	31/12/2019 $'000	31/3/2019 $'000
Current		
Other payables		
– other related companies	**546**	1,200
– non-related parties	**1,289**	3,061
	1,835	4,261
Accrued operating expenses	**1,367**	766
	3,202	5,027
Non-current		
Other payables	**236**	–
	3,438	5,027

Other payables to other related companies are unsecured, interest-free and repayable on demand in cash.

Other payables to non-related parties represent mainly accrued employee bonus, sundry payables and goods and services tax payable.

Included in accrued operating expenses is an amount of $422,000 (31 March 2019: $679,000) that relates to Directors' fees for the current financial period.

Non-current other payables are accruals relating to employee compensation scheme that is deferred and payable over a period of time.

	31/12/2019 $'000	31/3/2019 $'000
Current liability		
Employee benefits	**207**	–
Non-current liability		
Employee benefits	**146**	–
	353	–

The APFT Unit Plans were approved by the Board of Directors of the Company on 25 July 2019.

The Board of APFT has instituted a set of unit ownership guidelines for senior management who receive units under the APFT Unit Plans. Under these guidelines, members of the senior management team are required to retain a portion of the total number of units received under the APFT Unit Plans, which will vary according to their respective job grade and salary.

During the financial period ended 31 December 2019, APFT recognised share-based expenses in relation to the APFT Unit Plans of $353,000 (31 March 2019: Nil) in the profit or loss.

14. SHARE CAPITAL

The Company's share capital comprises fully-paid up 1,000,000 (31 March 2019: 1,000,000) ordinary shares with no par value, amounting to a total of $1,000,000 (31 March 2019: $1,000,000).

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

15. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes of financial assets at FVOCI.

16. DIVIDENDS

	31/12/2019 $'000	31/3/2019 $'000
Declared and paid/payable during the financial period/year		
Dividends on ordinary shares:		
– Final tax exempt (one-tier) dividend for financial year ended 31 March 2019 paid/payable of $2.00 (31 March 2019: dividend for financial year ended 31 March 2018 paid/payable of $2.00) per share	**2,000**	2,000
Proposed but not recognised as a liability as at end of period/year		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– Final tax exempt (one-tier) dividend proposed in respect of the financial period of $2.00 (31 March 2019: $2.00) per share	**2,000**	2,000

17. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and related parties at terms agreed between the parties during the financial period:

	31/12/2019 $'000	31/3/2019 $'000
Directors:		
– Directors' fees	**466**	679
Key management personnel compensation (excluding Directors' fees)		
– salaries and other employee benefits	**1,718**	2,122
– contribution to CPF	**29**	25
– share-based compensation benefits*	**281**	–
	2,028	2,147

* Payable by the Company in the form of units in Ascendas India Trust.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to market risk (including foreign currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company sets policies, strategies and mechanism, which aim at effective management of these risks within its operating environment.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

(i) Currency risk

The Company's exposure to currency risk is minimal as its revenue, expenses, assets and liabilities are substantially denominated in SGD.

(ii) Price risk

As at 31 December 2019, the Company has investment in quoted equity securities listed in Singapore and is exposed to price risk.

Sensitivity analysis for price risk

If prices for the equity securities listed in Singapore change by the percentages indicated below with all other variables including tax rates being held constant, the effects on profit after tax and equity will be as follows:

	31 December 2019		31 March 2019	
	Profit After Tax $'000	**Equity $'000**	Profit After Tax $'000	Equity $'000
Equity securities				
Listed in Singapore				
– increased by 22% (31 March 2019: 23%)	**–**	**19,182**	–	14,193
– decreased by 22% (31 March 2019: 23%)	**–**	**(19,182)**	–	(14,193)

(iii) Interest rate risk

The Company is not exposed to any interest rate risk as its financial assets and liabilities are not interest-bearing.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanism are applied.

For trade receivables, the Company adopts the policy of dealing only with customer of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Company deals only with high credit quality counterparties.

The maximum exposure to credit risk is represented by the carrying amount of that class of financial instruments presented on the balance sheet.

(i) *Financial assets that are neither past due nor impaired*

Trade receivables that are neither past due nor impaired are receivables from a-iTrust which represent the Company's maximum exposure to credit risk. a-iTrust has a relatively healthy financial position and Management does not expect a-iTrust to fail to meet its obligations.

(ii) *Financial assets that are past due and/or impaired*

There are no financial assets that are either past due and/or impaired.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

(c) *Liquidity risk*

Excess cash in the Company will be transferred to a related company for efficient cash management. To meet payment obligations in a timely manner, the related company makes fund transfers back to the Company as and when the need arises.

The table below analyses the maturity profile of the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year $'000	After 1 year but within 5 years $'000	Total $'000
At 31 December 2019			
Other payables	**3,202**	**236**	**3,438**
At 31 March 2019			
Other payables	5,027	–	5,027

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the debt equity ratio, which is calculated as total external borrowings divided by total equity. As at end of reporting period, the Company does not have any external borrowings.

The Company is not subject to any externally imposed capital requirements for the financial period from 1 April 2019 to 31 December 2019.

19. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Company classifies its fair value measurement of assets and liabilities using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 – Unobservable inputs for the asset or liability.

(b) *Assets measured at fair value*

The following table presents the assets measured at fair value at the end of the reporting period:

	Level 1 $'000
Assets	
At 31 December 2019	
Financial assets	
Equity securities at FVOCI	
– Quoted equity securities	**87,191**
At 31 March 2019	
Financial assets	
Equity securities at FVOCI	
– Quoted equity securities	61,708

19. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(b) Assets measured at fair value (continued)

The carrying value of current trade and other receivables and other payables approximate their fair values due to their short-term nature.

The carrying amount of non-current other payables as at 31 December 2019 approximate their fair value as the effect of discounting is not significant.

20. COMPARATIVE FIGURES

The comparative figures presented in the financial statements are not comparable as the prior period figures cover the twelve-month period from 1 April 2018 to 31 March 2019, while the current period figures cover the nine-month period from 1 April 2019 to 31 December 2019 due to a change of financial year from 31 March to 31 December.

21. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial period from 1 April 2019 to 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 12 February 2020.

STATISTICS OF UNITHOLDINGS

As at 6 March 2020

ISSUED AND FULLY PAID UNITS

1,145,516,672 Units (voting rights: 1 vote per Unit)
Market Capitalisation: S$1,947,378,342 (based on closing Unit price of S$1.70 as at 6 March 2020)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	17	0.20	332	0.00
100 – 1,000	4,133	49.41	4,050,665	0.35
1,001 – 10,000	2,757	32.96	15,257,537	1.33
10,001 – 1,000,000	1,435	17.15	63,921,360	5.58
1,000,001 and above	23	0.28	1,062,286,778	92.74
Total	**8,365**	**100.00**	**1,145,516,672**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	8,113	96.99	1,139,962,672	99.52
Malaysia	116	1.39	2,699,100	0.23
Others	136	1.62	2,854,900	0.25
Total	**8,365**	**100.00**	**1,145,516,672**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	DBS Nominees (Private) Limited	227,012,804	19.82
2	Raffles Nominees (Pte.) Limited	184,659,463	16.12
3	CapitaLand India Pte Ltd	183,279,388	16.00
4	Citibank Nominees Singapore Pte Ltd	151,200,237	13.20
5	DBSN Services Pte. Ltd.	86,134,125	7.52
6	HSBC (Singapore) Nominees Pte Ltd	58,952,240	5.15
7	Ascendas Property Fund Trustee Pte. Ltd.	58,707,675	5.12
8	BPSS Nominees Singapore (Pte.) Ltd.	58,351,374	5.09
9	DBS Vickers Securities (Singapore) Pte Ltd	17,413,800	1.52
10	Phillip Securities Pte Ltd	11,659,048	1.02
11	OCBC Securities Private Limited	3,678,100	0.32
12	DB Nominees (Singapore) Pte Ltd	3,446,600	0.30
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	2,821,021	0.25
14	ABN AMRO Clearing Bank N.V.	2,756,500	0.24
15	Yim Chee Chong	2,039,000	0.18
16	Yap Chong Hin Gabriel	1,579,000	0.14
17	Merrill Lynch (Singapore) Pte. Ltd.	1,477,403	0.13
18	Unitronic Components Pte Ltd	1,400,000	0.12
19	OCBC Nominees Singapore Private Limited	1,341,400	0.12
20	Tan Wai See	1,168,000	0.10
	Total	**1,059,077,178**	**92.46**

STATISTICS OF UNITHOLDINGS

As at 6 March 2020

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2020

Based on the Register of Directors' Unitholdings, save for those disclosed below, none of the Directors held any interest in Units and convertible securities issued by a-iTrust.

	No. of Units		Contingent Awards of Units[1] under the Trustee-Manager's	
Name of Director	**Direct Interest**	**Deemed Interest**	**Performance Unit Plan**	**Restricted Unit Plan**
Sanjeev Dasgupta	–	–	0 to 287,526[2]	0 to 323,466[2,3]
Jonathan Yap Neng Tong	500,000	150,000	–	–

Notes:

1 This refers to the number of Units which are the subject of contingent awards granted but not released under Trustee-Manager's Performance Unit Plan ("**PUP**") and Restricted Unit Plan ("**RUP**"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.

2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for PUP and RUP.

3 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RUP, will also be released.

STATISTICS OF UNITHOLDINGS

As at 6 March 2020

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 6 MARCH 2020

Based on the information available to the Trustee-Manager as at 6 March 2020, the unitholdings of Substantial Unitholders of a-iTrust are as follows:

Name of Substantial Unitholder	Direct	Deemed	Total	%[1]
Temasek Holdings (Private) Limited[2] (Temasek)	–	241,987,063	241,987,063	21.12
Tembusu Capital Pte. Ltd.[2] (Tembusu)	–	241,987,063	241,987,063	21.12
Bartley Investments Pte. Ltd.[2] (Bartley)	–	241,987,063	241,987,063	21.12
Mawson Peak Holdings Pte. Ltd.[2] (Mawson)	–	241,987,063	241,987,063	21.12
Glenville Investments Pte. Ltd.[2] (Glenville)	–	241,987,063	241,987,063	21.12
TJ Holdings (III) Pte. Ltd.[2] (TJHIII)	–	241,987,063	241,987,063	21.12
CLA Real Estate Holdings Pte. Ltd.[3] (CLA)	–	241,987,063	241,987,063	21.12
CapitaLand Limited[4] (CL)	–	241,987,063	241,987,063	21.12
Ascendas Pte Ltd[4] (APL)	–	241,987,063	241,987,063	21.12
CapitaLand India Pte. Ltd.[4] (CLI)	183,279,388	–	183,279,388	15.99
Ascendas Investment Pte. Ltd.[4] (AIPL)	–	58,707,675	58,707,675	5.12
Ascendas Property Fund Trustee Pte. Ltd.[4] (APFT)	58,707,675	–	58,707,675	5.12
Matthews International Capital Management, LLC[5] (MICM)	–	74,178,500	74,178,500	6.47
Matthews International Funds[5] (MIF)	–	64,793,900	64,793,900	5.65
Kabouter Management, LLC[6] (KM)	–	146,048,661	146,048,661	12.74
Kabouter International Opportunities Fund II, LLC	124,185,370	–	124,185,370	10.84
J.P. Morgan Chase & Co.[7] (JPM)	1,342,856	58,190,100	59,532,956	5.19

Notes:

1 The percentage is based on 1,145,516,672 Units in issue as at 6 March 2020. The figures are rounded down to the nearest 0.01%.

2 Temasek is deemed to have an interest in the Units in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. Tembusu is deemed to have an interest in the Units in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore. Temasek holds 100% equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJHIII, which holds 100% equity interest in CLA.

3 CLA (formerly known as Ascendas-Singbridge Pte. Ltd.) holds approximately 51.01% of the issued shares in CL. Each of Temasek, Tembusu, Bartley, Mawson, Glenville and TJHIII is deemed to have an interest in the Units in which CLA is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.

4 CL, through its subsidiary APL, is deemed interested in the Units held by CLI and APFT. AIPL is deemed interested in the Units held by APFT. AIPL holds 100% equity interest in APFT. CLI and AIPL are subsidiaries of APL.

5 MICM is a USA-registered investment advisor and MIF is a USA-registered business trust. MICM acts as an investment advisor to MIF and its other clients. MICM has discretionary authority over its clients' Units.

6 KM is deemed interested in the Units held through funds managed by KM.

7 JPM is deemed interested in the Units held by J.P. Morgan affiliates.

PUBLIC FLOAT

Based on the information available to the Trustee-Manager, approximately 54.39% of the Units in a-iTrust were held in the hands of the public as at 6 March 2020. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

GLOSSARY

ACRA	Accounting and Corporate Regulatory Authority
Adjusted EBITDA	Earnings Before Interest Expenses, Tax, Depreciation and Amortisation (excluding gains/ losses from foreign exchange translation and mark-to-market revaluation from settlement of loans). Earnings include interest income.
AGM	Annual General Meeting
AIGP	Ascendas India Growth Programme
AITPCL	Ascendas IT Park (Chennai) Limited
a-iTrust/the Trust	Ascendas India Trust
APFT/Trustee-Manager	Ascendas Property Fund Trustee Pte. Ltd.
ARC	Audit and Risk Committee
Arshiya warehouses	Arshiya Free Trade Warehousing Zone, Panvel
ASB	Ascendas-Singbridge Group
ASB FS	Ascendas-Firstspace
ASIPL/Property Manager	Ascendas Services (India) Private Limited
aVance Hyderabad	aVance, HITEC City, Hyderabad
aVance Pune	aVance, Hinjawadi, Pune
AWS	Annual Wage Supplement
Board	Board of Directors
BPM	Business Process Management
BSBP	Balanced Scorecard Bonus Plan
BT	Business Trust
BTA	Business Trusts Act
BTR	Business Trust Regulations
CAGR	Compound Annual Growth Rate
CapitaLand/ Sponsor	CapitaLand Limited
CEO	Chief Executive Officer
CESTAT	Customs Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CGU	Cash Generating Units
CIS Code	Code on Collective Investment Schemes
Code	Code of Corporate Governance of 2018
CP	CyberPearl, Hyderabad
CPF	Central Provident Fund
CPI	Consumer Price Index
CRESS	Construction and Real Estate Sector Supplement
CV	CyberVale, Chennai
CY2018	Calendar Year 2018
CY2019	Calendar Year 2019
CY2020	Calendar Year 2020
Dec YTD	December Year-to-date (from 1 April to 31 December)
DPU	Distribution per Unit
DRVPL	Deccan Real Ventures Private Limited
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance
EY	Ernst & Young
FBC	Fraud, bribery and corruption
FCCD	Fully & Compulsorily Convertible Debentures
FDI	Foreign Direct Investment
FDPL	Flagship Developers Private Limited
FTWZ	Free Trade Warehousing Zone
FY	Financial Year/Period Ended
FY15/16	Financial Year Ended 31 March 2016
FY16/17	Financial Year Ended 31 March 2017
FY17/18	Financial Year Ended 31 March 2018
FY18/19	Financial Year Ended 31 March 2019
FY19/20	Fiscal Year 2019/20
FY20/21	Fiscal Year 2020/21
FY21/22	Fiscal Year 2021/22
FY2019	Financial Period Ended 31 December 2019 (from 1 April 2019 to 31 December 2019)
FY2020	Financial Year Ended 31 December 2020 (from 1 January 2020 to 31 December 2020)
FY2021	Financial Year Ended 31 December 2021
FY2022	Financial Year Ended 31 December 2022
FY2023	Financial Year Ended 31 December 2023
FY2024	Financial Year Ended 31 December 2024
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
Group	a-iTrust and its subsidiaries
GST	Goods and Services Tax
HIPL	Hyderabad Infratech Pvt. Ltd.
HKD	Hong Kong Dollar
IBC	Insolvency and Bankruptcy Code
IC	Investment Committee
ICD	Inter-corporate deposit
ID	Independent Director
IGBC	Indian Green Building Council
IMF	International Monetary Fund
INR/₹	Indian Rupee
IPT	Interested Person Transactions
IT	Information Technology
IT SEZ	Information Technology Special Economic Zone
ITES	Information Technology Enabled Services
ITPB	International Tech Park Bangalore
ITPC	International Tech Park Chennai
ITPH	International Tech Park Hyderabad
ITPL	Information Technology Park Ltd
JPY	Japanese Yen
LEED	Leadership in Energy and Environmental Design
Listing Manual	The Listing Manual of SGX-ST
m/mil	Million
MAS	Monetary Authority of Singapore
MAT	Minimum Alternative Tax
MTN	Medium Term Note
NAV	Net Asset Value
NCDs	Non-convertible Debentures
NCR	National Capital Region
NPI	Net Property Income
NRC	Nominating & Remuneration Committee
PMA	Property Management Agreement
PUP	Performance Unit Plan
RDB	Rupee Denominated Bond
REIT	Real Estate Investment Trust
RERA	Real Estate and Regulatory Authority
ROFR	Right of First Refusal
RUP	Restricted Unit Plan
S¢	Singapore Cent
SBA	Super Built-up Area
SEZ	Special Economic Zone
SFA	Securities and Futures Act
SFRS(I)	Singapore Financial Reporting Standards (International)
SGD/S$	Singapore Dollar
SGX/ SGX-ST	Singapore Exchange Securities Trading Limited
SPV	Special Purpose Vehicle
sq ft	Square foot/ feet
TIDCO	Tamil Nadu Industrial Development Corporation Limited
Trust Deed	Trust Deed constituting a-iTrust (as amended and restated on 19 July 2019)
UK	United Kingdom
US/USA	United States of America
USD	United States Dollar
USGBC	U.S. Green Building Council
VAT	Value Added Tax
VCU	Venture Capital Undertaking
VITP	VITP Private Limited
VWAP	Volume Weighted Average Price
YOY	Year-on-year

MARKET RESEARCH REPORT

A. INDIA ECONOMIC OVERVIEW

1. INDIA POLICY OVERVIEW

The Indian government has been investing in infrastructure and introducing legislation to boost the economy. Policy reforms, such as the Real Estate Regulation and Development Act and Goods and Service Tax Act, as well as the recent introduction of REIT regulations continue to have a significant impact on India's real estate sector.

The following are the key highlights of several significant reforms:

- **Real Estate Investment Trusts**
  The Securities and Exchange Board of India (SEBI) introduced REIT regulations in India in order to provide a transparent and well-governed platform for trading in REITs, to encourage investment and protect the interest of unit holders. Embassy Office Parks REIT, which listed in March 2019, received positive response from both retail and institutional investors. Given the encouraging response, several other REITs are expected to be listed in India over the next one to three years.

  As of April 2019, SEBI has reduced the minimum investment limit in REITs from INR 200,000 to INR 50,000, which should encourage participation by a larger set of retail investors. Developers and private equity investors therefore stand to benefit as REITs provide them with an increasingly liquid exit option.

- **Insolvency and Bankruptcy Code**
  The Insolvency and Bankruptcy Code (IBC) Act was passed in May 2016 to reduce the accumulation of bad loans. Under this Act, the National Company Law Tribunal has been constituted by the Government of India to resolve cases of non-performing assets. The enactment of IBC has encouraged developers to effectively utilize capital and provide timely deliveries, thereby boosting consumer confidence and investment in Indian real estate. The IBC Amendment Ordinance 2019, passed in December 2019, is aimed at easing the insolvency resolution process and promoting the ease of doing business and thereby making the IBC more effective.

- **Real Estate Regulation and Development Act**
  The Real Estate Regulation and Development Act, which came into full effect from May 2017, established a Real Estate Regulatory Authority (RERA) in each state. This increased the levels of regulation, professionalism and consumer protection, thereby promoting consumer confidence in the Indian real estate market.

- **Goods and Services Tax (GST)**
  GST is an indirect tax levied in India on the sale of goods and services. The GST regime, implemented with effect from July 2017, has transformed the taxation structures in India with its 'One Market, One Tax' principle. It has standardised taxation across the country by replacing a multitude of indirect taxes charged at differential rates by the centre and states, with a single GST. Despite initial challenges faced during implementation, there remains positive long-term impact, such as transparency in business dealings and incremental tax collection due to the ratification of the unorganised segment. Implementation of GST regime has also boosted the warehousing and logistics sector, removing the constraints of state boundaries.

- **Change in Corporate Tax**
  On September 2019, the government announced a reduction in the corporate tax rate for existing companies to 22% from 30%, subject to certain terms and conditions. This flexibility to shift to the new tax rate will likely have a positive impact on many sectors, including the real estate sector.

A. INDIA ECONOMIC OVERVIEW

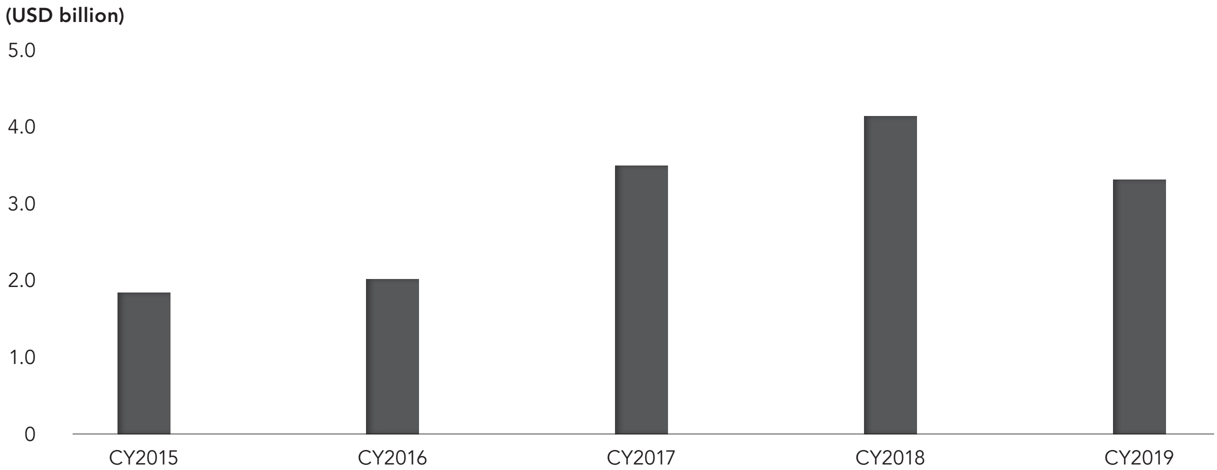
2. INDIA INVESTMENT OVERVIEW

India attracted a cumulative FDI inflow of USD 659 billion (INR 47.02 trillion)[1] from April 2000 to December 2019. Equity inflows constituted nearly 69% of FDI, while the rest constituted reinvestment of earnings capital. FDI equity inflows in CY2019 stood at USD 47.64 billion (INR 3.40 trillion)[1] as compared to USD 42.40 billion (INR 3.03 trillion)[1] in CY2018.

- **Private Equity Investments in India Real Estate**
  CY2019 recorded USD 3.31 billion (INR 236 billion)[2] in institutional investments in real estate. The deal book was dominated by foreign funds, which accounted for 80% of deals across office, retail, residential, and hospitality assets.

  The office sector continued to be the preferred sector for investments by private equity players and accounted for 60% of the investments recorded in CY2019. In light of the slowdown in the residential sector, investors have started focusing on investments in alternate sectors such as warehousing, data centres, student housing and co-living. These sectors together accounted for 25% share of real estate FDI investments in CY2019, followed by the residential sector with the remainder 15% share in investments.

- **Private Equity Investments Trend in Indian Real Estate**



Source: VC Circle

1 Department of Industrial Policy and Promotion, December 2019
2 VCCircle
1 USD = INR 71.3449 as on 31st December 2019 – NSE India

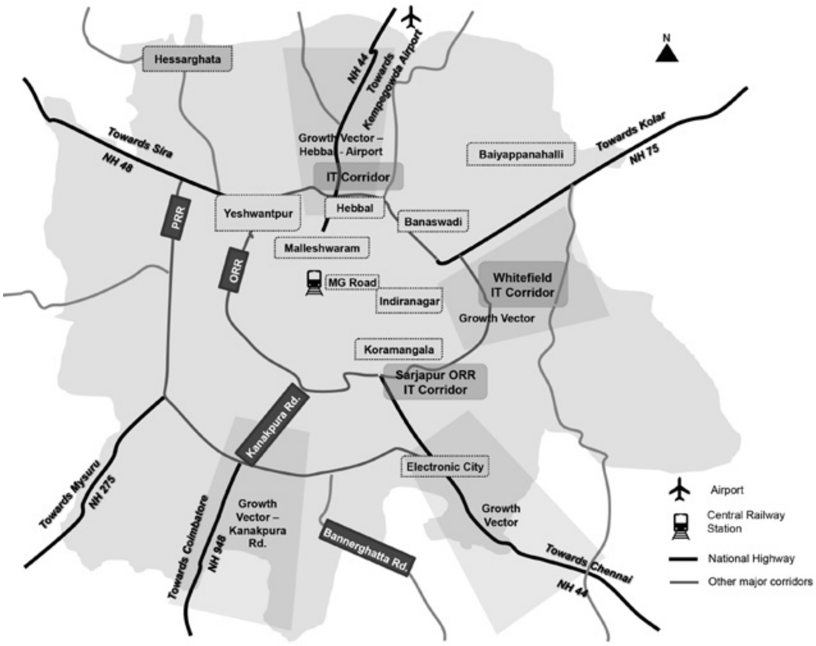
B. BANGALORE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW

Bangalore is the capital city and commercial centre of the state of Karnataka and is the third most populous city in India. In terms of economic development, Bangalore is ranked the 3rd fastest-growing city in the world, with a projected annual GDP growth rate of 8.5% between 2019 and 2035[3]. It also ranks 1st in IT and ITES exports and boasts the 4th largest economy in India[4]. Much of this growth can be attributed to the growth of the IT sector earning the city the reputation as the "Silicon Valley of India" and being a significant enabler of the city's real estate growth. Apart from IT/ITES, the city's other economic growth sectors include biotechnology, pharmaceuticals, research and development, construction and aerospace.

Besides being a hub for a new wave of start-ups and other information technology companies, Bangalore maintains a strong legacy of science and engineering, it is the home of the Indian Space Research Organisation, Hindustan Aeronautics and the Indian Institute of Information Technology. Growth in Bangalore was initially driven by cost arbitrage, but it has moved up the value chain and is now a core tech research and development centre.

The large talent pool, pro-business policies, well-developed transport infrastructure and low cost of living make Bangalore India's preferred office space destination and is the top-performing office market in India. Occupiers in IT, financial services, and co-working space drive the demand for commercial office space in the city constituting a significant share of the leasing activity in CY2019. The Central Business District (CBD) and Extended Business District (EBD), Outer Ring Road (HRBR Layout to Silk Board), Whitefield, Sarjapur Road, Electronic City and North Bangalore (including Manyata Tech Park and Bellary Road near Hebbal flyover) represent the most significant clusters of IT/ITES companies in Bangalore.



Map not to scale

3 Oxford Economics
4 Invest Karnataka

B. BANGALORE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Bangalore Business District and Micro-Market Classification

Bangalore has been classified into different activity zones based on the concentration and profile of development activity, as defined below:

Business Districts	Micro-Markets	Description
Central Business District (CBD) and External Business District (EBD)	• MG Road • Richmond Road • Old Airport Road • Indiranagar • Old Madras Road • Koramangala	• Primary commercial business district of Bangalore with many BFSI companies • Prominent companies include Amazon, Deloitte and General Electric • At the end of CY2019, total Grade A office stock in CBD and EBD was estimated to be 30.3 million sq ft • Vacancy at the end of CY2019 was estimated at 6.8% • During CY2019, CBD and EBD witnessed rentals in the range of INR 90-200 per sq ft per month
North Bangalore	• Bellary Road • Hebbal • Jakkur • Yelahanka	• Located at a distance of 14 km from the CBD, North Bangalore primarily serves IT/ITES and RandD companies • Prominent companies include IBM, Cognizant and Nokia Networks • At the end of CY2019, total Grade A office stock in North Bangalore was estimated to be 19.2 million sq ft • Vacancy at the end of CY2019 was estimated at 9% • During CY2019, North Bangalore witnessed rentals in the range of INR 48-90 per sq ft per month
Outer Ring Road (ORR)	• Marathahalli Outer Ring Road • Sarjapur Outer Ring Road	• Located at a distance of 10 km from the CBD, ORR houses prominent banks, financial institutes and IT/ITES companies • Prominent companies include Cisco, KPMG and IQVIA • At the end of CY2019, total Grade A office stock in ORR was estimated to be 51.9 million sq ft • Vacancy at the end of CY2019 was estimated at 1.8% • During CY2019, ORR witnessed rentals in the range of INR 70-115 per sq ft per month
Peripheral Business District (PBD – East and PBD - Others)	• Whitefield • Electronic City • Jigani • Thanisandra • Sarjapur Road	• Located at a distance of 20 km from the CBD, PBD – East and PBD – Others houses IT/ITES companies • Prominent companies in this micro-market include TCS, Mercedes Benz and General Motors • At the end of CY2019, total Grade A office stock in PBD - East and PBD - Others was estimated to be 46.8 million sq ft. • Vacancy at the end of CY2019 was estimated at 13.5% • During CY2019, PBD – East and PBD - Others witnessed rentals in the range of INR 35-65 per sq ft. per month

B. BANGALORE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Bangalore Business District and Micro-Market Classification (continued)

Business Districts	Micro-Markets	Description
South Bangalore	• Banashankari • Bannerghatta Road • JP Nagar • Mysore Road	• Prominent companies in this micro-market include Mind tree, HSBC and Accenture • At the end of CY2019, total Grade A office stock in South Bangalore was estimated to be 9.3 million sq ft • Vacancy as of at the end of CY2019 was estimated at 6.5% • During CY2019, South Bangalore witnessed rentals in the range of INR 40-90 per sq ft per month

Source: Savills Research

1.2 Whitefield Micro-Market Overview

Whitefield, located in the eastern periphery of Bangalore, is a well-established commercial IT/ITES market and a significant economic suburb of the city. The micro-market emerged due to the establishment of the Export Promotion Industrial Park, and ITPB which spurred on further growth. This micro-market today offers good quality office space at lower rentals than competing locations, social infrastructure and good connectivity which is expected to improve further with the completion of Metro Rail Phase 2 and the Peripheral Ring Road.

Prominent largescale commercial developments include ITPB, Brigade Tech Gardens and Divyasree Techno Park. These parks comprise of a mix of built-to-suit campuses and multi-tenanted buildings with the presence of prominent companies like IBM, Accenture and TCS.

In addition, Whitefield is well supported by social infrastructure in the form of retail malls namely Park Square Mall, Phoenix Market City and Inorbit mall. Educational institutions such as Ryan International School, Gopalan International School and Vydehi School of Excellence. Healthcare institutions include Manipal Hospital, Sri Sathya Sai Baba Hospital and Vydehi Institute of Medical Sciences and Research Centre. Notable hospitality developments include Four Points by Sheraton, Marriot and Taj Vivanta.

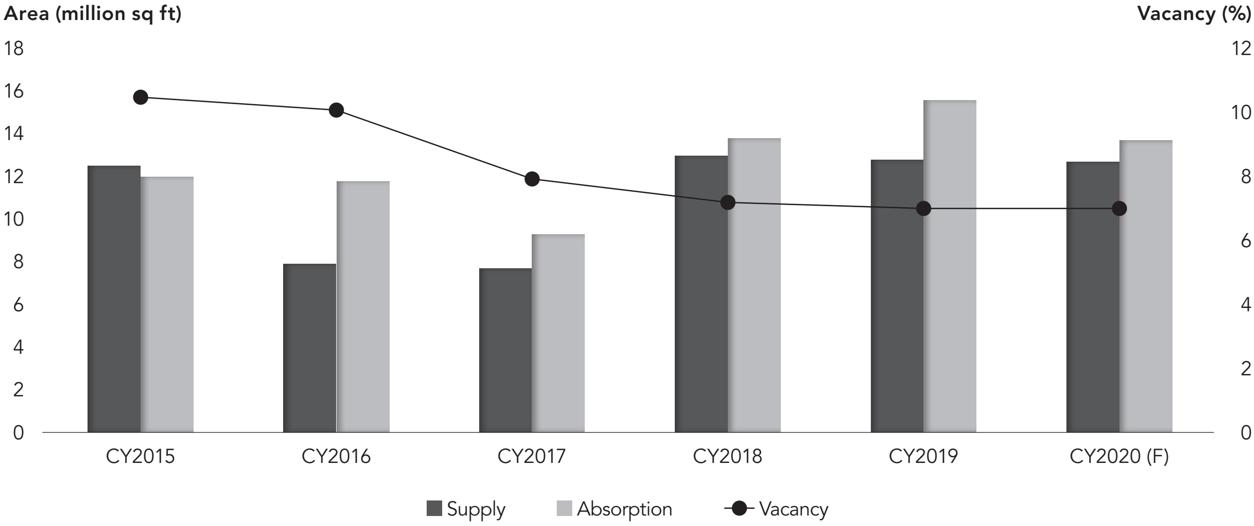
B. BANGALORE COMMERCIAL MARKET OVERVIEW

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: BANGALORE

Grade A Office Stock Breakup	Bangalore	Whitefield
Total Completed Stock	157.8 million sq ft	34.5 million sq ft
Breakup – SEZ and Non SEZ	SEZ – 43.0 million sq ft Non SEZ – 114.8 million sq ft	SEZ – 8.1 million sq ft Non SEZ – 26.4 million sq ft

Source: Savills Research

- **City – Supply, Absorption, Vacancy**



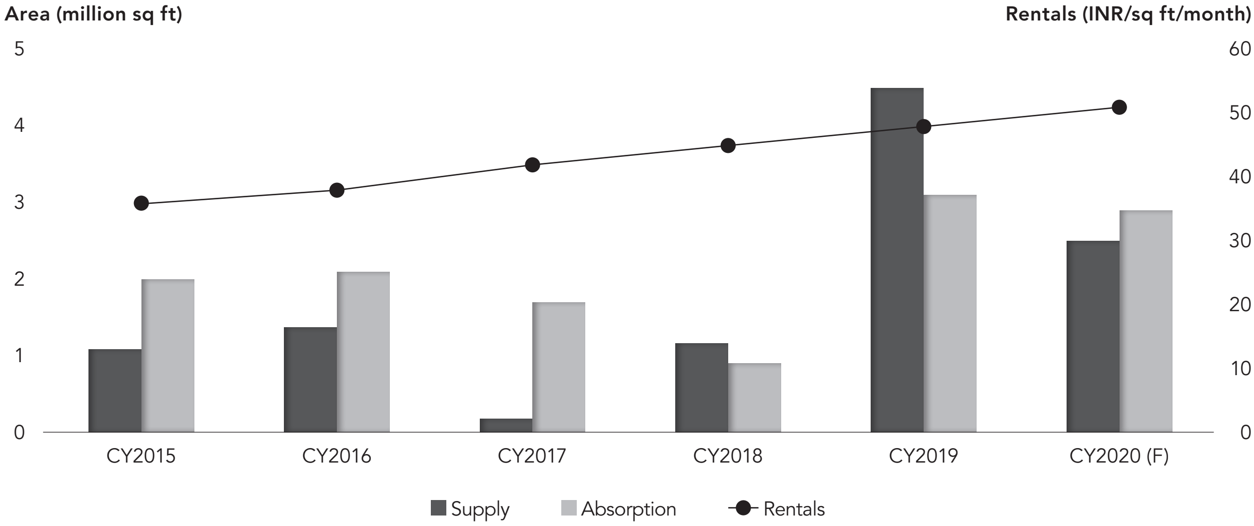
Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. The vacancy in the chart accounts for the gap between cumulative stock and occupied space in the city at the end of any given year and includes secondary spaces (if any) being generated due to churn in the market.

B. BANGALORE COMMERCIAL MARKET OVERVIEW

3. SUPPLY, ABSORPTION AND RENTAL TRENDS: WHITEFIELD MICRO-MARKET

- **Supply, Absorption and Rental Trends for Grade A Office in Whitefield**



Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. Rents shown are average transacted base rents.

4. ANALYSIS OF DEVELOPMENTS IN WHITEFIELD

4.1 Current Commercial Developments in Whitefield

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Kalyani Platina	Kalyani Developers	2011	1.8	3.5%	HP, Delphi
Prestige Shantiniketan	Prestige Developers	2011	3.6	5.5%	TCS, Capgemini, UST Global
Brigade Metropolis	Brigade Developers	2008	0.8	–	Capgemini, GE Health Care, EY
DivyaSree Technopark	DivyaSree Developers	2006	4.7	8.4%	Accenture, Tesco

Source: Savills Research

4. ANALYSIS OF DEVELOPMENTS IN WHITEFIELD (continued)

4.2 Upcoming Commercial Developments in Whitefield

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Divyasree Techno Park	Divyasree Developers	2021	0.2
Salarpuria Knowledge Court	Salarpuria Sattva	2021	1.3
Brigade Tech Gardens	Brigade Group	2020	1.9
Primeco Union City	SJR Prime Corporation	2020	1.6

Source: Savills Research

4.3 Current Retail Developments in Whitefield

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Prominent Occupiers
Forum Shantiniketan	Prestige Group	2018	0.6	8% - 10%	Cinepolis, Home Centre
Phoenix Market City	Phoenix	2011	0.9	5% - 8%	PVR, Marks and Spencer
Forum Neighborhood Mall (Forum Value Mall)	Prestige Group	2009	0.2	6% - 8%	Inox, Megamart

Source: Savills Research

4.4 Upcoming Retail Developments in Whitefield

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Brigade Uptown	Brigade Developers	2020	0.8

Source: Savills Research

5. OUTLOOK

Bangalore is expected to retain the top office market position in India in CY2020 as it continues to upgrade city infrastructure, including the introduction of electric buses and construction of the metro line to the airport.

The Whitefield micro-market is anticipated to witness increased demand for Grade A office space over the next 2 to 4 years due to its location, connectivity, and social and physical infrastructure (upcoming metro line). Within Bangalore, ORR and Whitefield are expected to retain the top spots in terms of absorption.

By CY2021, approximately 7.2 million sq ft of Grade A office space is anticipated in Whitefield (3.7 million sq ft of Non SEZ and 3.5 million sq ft of SEZ space). Whitefield is expected to witness strong demand from IT/ITES, e-commerce occupiers with rentals expected to see an upward trend to the range of INR 55-60 per sq ft per month over the next two years.

C. HYDERABAD COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW

Hyderabad is the joint capital of the states of Telangana and Andhra Pradesh. The Hyderabad Metropolitan area covers an extent of 7,257 sq km. Hyderabad is ranked 4th after Bangalore in terms of the fastest-growing cities in the world, with 8.5% projected annual growth in GDP, between CY2019 and CY2035. An established destination for IT/ITES, pharmaceutical, and biotech companies, Hyderabad is the 2nd largest nationwide contributor to IT exports at 11%[5].

Map not to scale

The availability of quality physical infrastructure, increased inflow of working professionals and a mature industrial ecosystem are the key drivers attracting investments to the city. Government initiatives include the development of an Information Technology Investment Region in and around Hyderabad, the creation of hardware parks, knowledge parks, biotech parks, and establishment of financial districts. The city has well-established connectivity to the major nodes of the city with the metro and road as well as international connectivity via the Shamshadabad Airport. Five of the most valuable companies in the world - Amazon, Apple, Google, Microsoft, and Facebook - have opened or are planning their largest development centers outside of the United States of America, in Hyderabad. The city has sound technical education and research infrastructure with institutions like the Centre for Cellular and Molecular Biology, Centre for Good Governance, Insurance and Regulatory Development Authority, Indian School of Business, Indian Institute of Technology, NALSAR University of Law, and the Agha Khan Academy. Hyderabad is also the pharmaceutical and biotechnology hub of India, with its industry supported by institutions like the Indian Institute of Chemical Technology and the National Institute of Pharmaceutical Education and Research, and infrastructure like Genome Valley, Fab City, and the Nano Technology park.

5 it.telangana.gov.in

C. HYDERABAD COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Hyderabad Business District and Micro-Market Classification

Hyderabad has been classified into different activity zones based on the concentration and profile of development activity, as defined below:

Business Districts	Micro-Markets	Description
Central Business District ("CBD") and Extended Business District ("EBD")	• Banjara Hills • Jubilee Hills • Ameerpet • Begumpet • Panjagutta • Somajiguda • Himayat Nagar	• CBD is a prime commercial business district of the city, dominated by mid to high-end retail and commercial developments. It largely houses offices of NBFCs, construction, IT and pharmaceutical companies • Prominent companies in CBD include Karvy, HSBC and Uninor. • EBD is located 2-5 km from CBD. It primarily houses regional, sales and marketing offices of companies of various industries • Prominent companies in EBD include Schneider Electric, Aurobindo Pharma and Airtel. • At the end of CY2019, total Grade A office stock in CBD and EBD was estimated to be 4.8 million sq ft • Vacancy at the end of CY2019 was estimated at 7.5% • During CY2019, CBD witnessed rentals in the range of INR 50-55 per sq ft per month and EBD witnessed rentals in the range of INR 45-50 per sq ft per month
Secondary Business District ("SBD")	• Madhapur • Gachibowli • Nanakramguda • Manikonda • Raidurg • Kukatpally	• SBD is an IT corridor and financial district of Hyderabad located 5-10 km from CBD. It primarily houses offices of IT/ITES and financial services companies • Prominent companies include IBM, Deloitte and Wells Fargo • At the end of CY2019, total Grade A office stock in the SBD was estimated to be 50.4 million sq ft • Vacancy at the end of CY2019 was estimated at 6% • During CY2019, SBD witnessed rentals in the range of INR 60-70 per sq ft per month
Peripheral Business District ("PBD") - East and South	• Pocharam • Shamshabad • Uppal	• This micro-market is located 15-20 km and has a limited supply of Grade A office space. Although upcoming commercial developments are mostly IT/ITES focused, significant leasing is yet to gain momentum • At the end of CY2019, total Grade A office stock in PBD – East and South was estimated to be 1.9 million sq ft • Vacancy at the end of CY2019 was estimated at 15% • During CY2019, PBD – East and South witnessed rentals in the range of INR 25-45 per sq ft per month

1. CITY OVERVIEW (continued)

1.2 Madhapur Micro-Market Overview

Madhapur is located in the northwest region of Hyderabad city. This micro-market largely constitutes IT/ITES developments in the technology, financial services and co-working segments. It is home to several multi-national companies like JP Morgan Chase, Amazon and Microsoft.

Major developers like Salarpuria Sattva, Raheja Group, and Phoenix Group, are active in this micro-market. More developers are expected to enter the market due to the consistent demand.

This micro-market has excellent connectivity via the 150 feet Hitec City Main Road, which connects to ORR and further connects to the International Airport at Shamshabad.

Madhapur has witnessed total Grade A commercial office supply of approximately 8.0 million sq ft in CY2019. The micro-market is expected to record significant leasing activity with another 7.7 million sq ft of additional Grade A commercial space estimated to come up by the end of CY2020.

Madhapur micro-market has a strong retail, entertainment and hospitality infrastructure with prominent retail developments including IKEA, Inorbit Mall and LandT Next Galleria Mall.

Notable hospitality developments include ITC Kohenur, Westin and Trident.

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: HYDERABAD

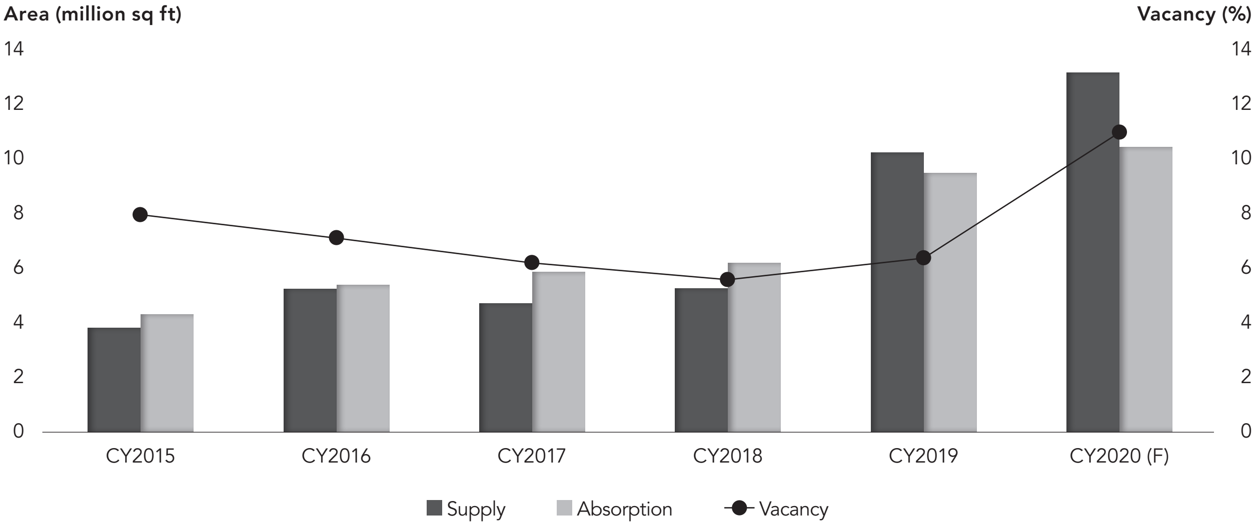
Grade A Office Stock Breakup	Hyderabad	Madhapur
Total Completed Stock	57.1 million sq ft	43.2 million sq ft
Breakup – SEZ and Non - SEZ	SEZ – 26.0 million sq ft Non SEZ – 31.1 million sq ft	SEZ – 18.1 million sq ft Non SEZ – 25.1 million sq ft

Source: Savills Research

C. HYDERABAD COMMERCIAL MARKET OVERVIEW

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: HYDERABAD (continued)

- **City – Supply, Absorption, Vacancy**

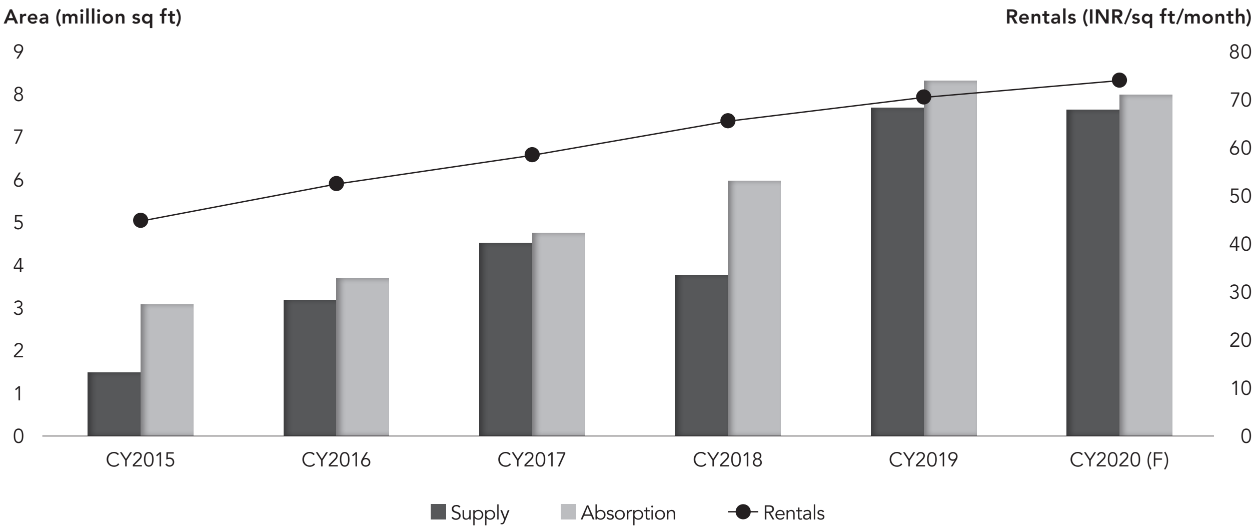


Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. The vacancy in the chart accounts for the gap between cumulative stock and occupied space in the city at the end of any given year and includes secondary spaces (if any) being generated due to churn in the market

3. SUPPLY, ABSORPTION AND RENTAL TRENDS: MADHAPUR MICRO-MARKET

- **Supply, Absorption and Rental Trends for Grade-A Office in Madhapur**



Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. Rents shown are average transacted base rents.

C. HYDERABAD COMMERCIAL MARKET OVERVIEW

4. ANALYSIS OF DEVELOPMENTS IN MADHAPUR

4.1 Current Commercial Developments in Madhapur

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Salarpuria Sattva Knowledge City	Salarpuria Sattva	2019	7.5	Fully occupied	JP Morgan Chase, Synchrony Financial, Microsoft
The Sky View 20	RMZ Corp	2018	3.5	1%	LandT Infotech, Mphasis Limited
Divyasree Omega	Divyasree	2014	1.5	Fully occupied	Google, Vatika, Ashland
Divyasree Orion	Divyasree	2014	4.0	Fully occupied	Accenture, IBM, Wells Fargo

Source: Savills Research

4.2 Upcoming Commercial Developments in Madhapur

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
The Spire	RMZ- Penna	2022	1.7
Raheja Commerce Zone	Raheja-Hetero	2022	2.5
The Nexity	RMZ-Hetero	2022	3.0
Orbit	Aurobindo Group	2021	1.1
My Home Twitza	My Home Group	2021	1.4
The Image Tower	Salarpuria Sattva	2021	1.6
Knowledge Park - Phase - III (Tower- 2)	Salarpuria	2021	1.8
Galaxy	Aurobindo Group	2021	1.7
KRC Mindspace Building # 12D	KRC Mindspace	2020	1.7

Source: Savills Research

5. OUTLOOK

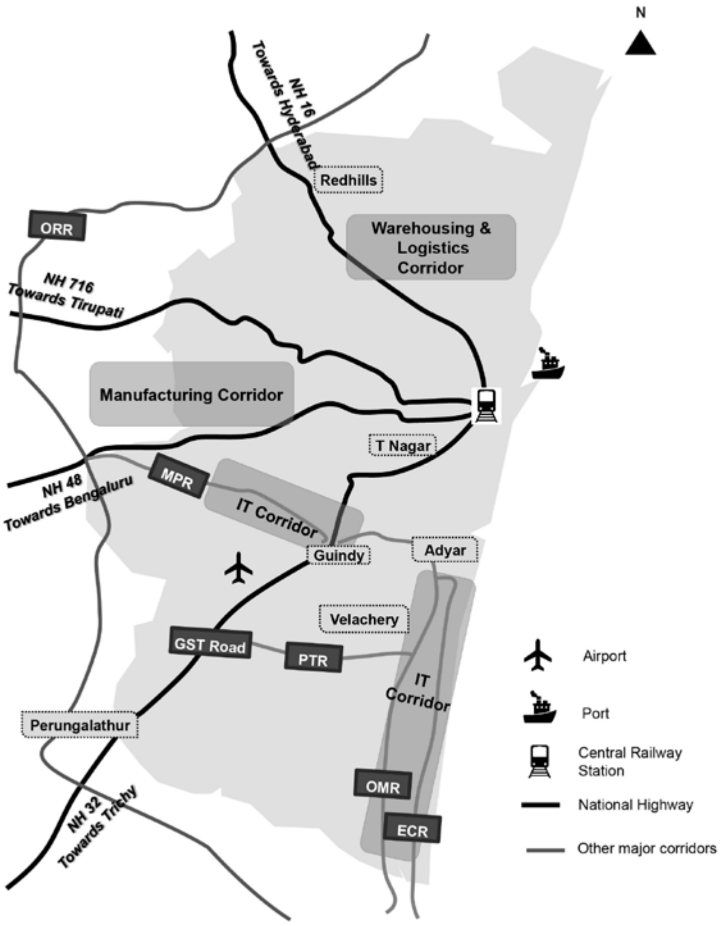
Hyderabad is expected to witness an increase of 30% in fresh supply in CY2020, at an estimated 13.1 million sq ft of Grade A commercial space. Approximately 98% of the upcoming supply is expected to come up in the suburban areas of Madhapur and Gachibowli. Based on the pre-commitments and market enquiries for office space, it is estimated that the absorption will be in the range of 10 million sq ft in CY2020. Relatively low rentals for Grade A commercial office space with robust infrastructure, proactive governance and ease of doing business is attracting major office space occupiers to Hyderabad.

Approximately 15 million sq ft of new supply in Grade A office space is expected to come up by the end of CY2021 in Madhapur, where IT/ITES, banking, financial services, e-commerce and co-working occupiers would be the major tenants. Demand for office space is expected to stay strong over the next two years, driven by improved economic conditions and a stable political scenario in the state. The upcoming Raidurg metro station is expected to improve the connectivity to Madhapur. The rentals are expected to grow to INR 70-75 per sq ft per month in this micro-market, with strong demand from IT/ITES, e-commerce and co-working occupiers.

D. CHENNAI COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW

Chennai, the Tamil Nadu state capital, is located on the coast of the Bay of Bengal and is home to the second-largest container port in India. It is the sixth most populous city and fourth-most populous urban agglomeration in India[6]. The city, together with the adjoining regions, constitute the Chennai Metropolitan Area which is spread over 1,189 sq km. Called 'The Detroit of India', Chennai houses more than one-third of India's automobile industry. IT/ITES, hardware engineering and financial services are the other major economic anchors for the city.



Map not to scale

A major administrative and cultural centre, Chennai has a low cost of living, a well-established physical and social infrastructure and a skilled workforce. A significant education hub, Chennai's top institutions include Anna University, University of Madras and IIT Madras. Major research institutes in the city are the Central Leather Research Institute and Central Electronics Engineering Research Institute.

Strategic location and connectivity through ports allowed Chennai to gain global significance and led to various businesses setting up base in the city. The increasing growth of e-commerce platforms, expanding 3PL sector and greater implementation of technology is catalysing the growth of logistics and warehousing. The focus on infrastructure development in the city has led to the development of road, rail, sea and air transport networks enabling excellent connectivity to other major business hubs.

The ease of doing business with government support and initiatives to attract investments, along with a significant improvement in the grade of real estate developments has helped Chennai become the destination for industrial manufacturing, warehousing and IT/ITES.

6 Census of India 2011

D. CHENNAI COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Chennai Business District and Micro-Market Classification

Chennai has been classified into different activity zones based on the concentration and profile of development activity, as defined below:

Business Districts	Micro-Markets	Description
Central Business District (CBD)	• T Nagar • Egmore • Teynampet • Anna Salai • RK Salai • Greams Road • Nungambakkam • Chetpet • MRC Nagar	• Strategically located with well-developed physical and social infrastructure and excellent connectivity to the prime residential locations, the CBD of the city remains one of the preferred office markets • High concentration of residential, retail and commercial assets • Prominent companies include Standard Chartered Bank, PWC and RR Donnelley • At the end of CY2019, total Grade A office stock in CBD was estimated to be 11.8 million sq ft • Vacancy at the end of CY2019 was estimated at 12% • During CY2019, CBD witnessed rentals in the range of INR 66 - 71 per sq ft per month
Secondary Business Districts (SBD)	• Guindy • Mount Poonamallee Road • Taramani • Perungudi • Pre-Toll Old Mahabalipuram Road (OMR) • Velachery	• Located in south and southwestern region of the city and 9-10 km from CBD. It is in proximity to Chennai International Airport and has excellent connectivity to major nodes of the city • Preferred office destination by IT/ITES sector and major co-working office spaces • Prominent companies include HP, IBM and Accenture • At the end of CY2019, total Grade A office stock in SBD was estimated to be 36.3 million sq ft • Vacancy at the end of CY2019 was estimated at 6% • During CY2019, SBD witnessed rental in the range of INR 73 – 78 per sq ft per month
Peripheral Business Districts (PBD)	• Post-Toll OMR • Perungalathur • Grand Southern Trunk Road • Pallavaram-Thoraipakkam Road • Ambattur	• Prominent companies include Standard Chartered Bank, First source and DHL. • At the end of CY2019, total Grade A office stock in PBD was estimated to be 23.8 million sq ft • Vacancy at the end of CY2019 was estimated at 20%. • During CY2019, PBD witnessed rental in the range of INR 47 - 52 per sq ft per month

D. CHENNAI COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.2 OMR Micro-Market Overview

OMR is a 45 km long expressway with many prominent IT/ITES firms situated along this stretch. It is an established IT corridor with large scale IT parks like Ramanujan IT City, ITPC, RMZ Millenia and Global Infocity. This road facilitates commute between major nodes of South Chennai, connecting prominent residential and commercial localities such as Perungudi, Thoraipakkam, Sholinganallur, and Kelambakkam. Ozone Techno Park, RMZ Millenia and Global Infocity have witnessed a significant share of the CY2019 city office space absorption in this micro-market.

OMR is a centre for several institutions like American International School, MNM Jain Engineering College and Dhanraj Baid Jain College. Some of the healthcare infrastructure includes Apollo Speciality Hospital, Aditya Bone and Joint Clinic and Global Hospital.

1.3 Grand Southern Trunk Road Micro-Market Overview

Grand Southern Trunk Road, also known as National Highway 32 is one of South India's busiest National Highways and one of the most prominent roads in Chennai. Some of the major micro-markets this road connects to are Chrompet, Tambaram, and Perungalathur.

Grand Southern Trunk Road encompasses three major SEZs: Xander's Gateway SEZ, Madras Export Processing Zone (MEPZ) and Mahindra World City. The industrial profile of the micro-market comprises automobile and auto-ancillary manufacturing companies, third-party logistics firms, BPOs and KPOs. Major real estate developers such as LandT, Hiranandani Group, PBEL and Jain Housing and Constructions have their projects on Grand Southern Trunk Road.

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: CHENNAI

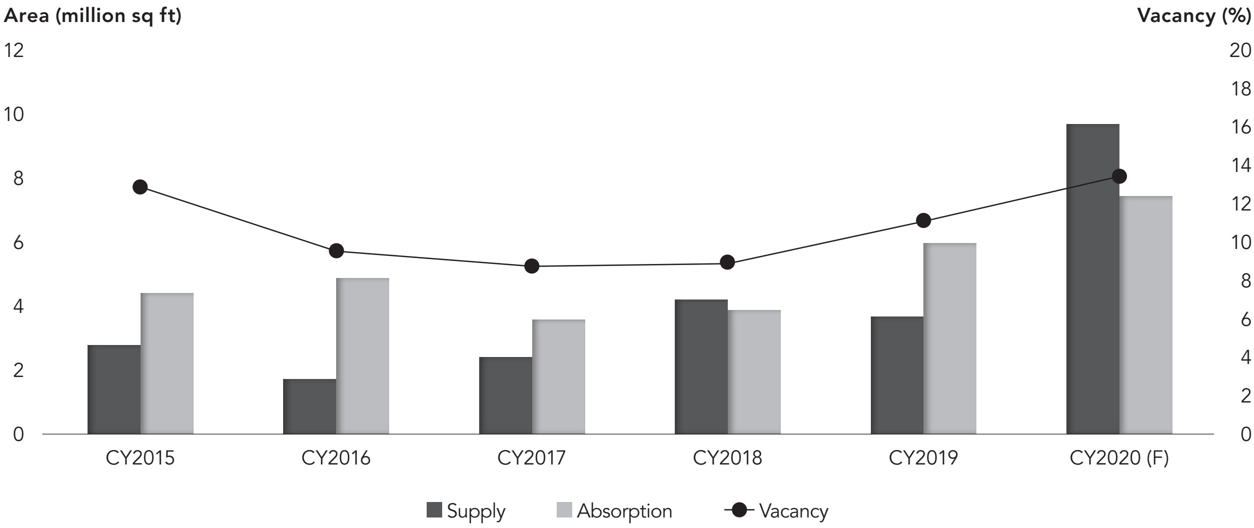
Grade A Office Stock Breakup	Chennai	OMR	Grand Southern Trunk Road
Total Completed Stock	71.9 million sq ft	31.6 million sq ft	3.1 million sq ft
Breakup - SEZ and Non SEZ	SEZ – 20.8 million sq ft Non SEZ – 51.1 million sq ft	SEZ – 7.3 million sq ft Non SEZ – 24.3 million sq ft	SEZ – 2.1 million sq ft Non SEZ – 1.0 million sq ft

Source: Savills Research

D. CHENNAI COMMERCIAL MARKET OVERVIEW

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: CHENNAI (continued)

- **City – Supply, Absorption, Vacancy**

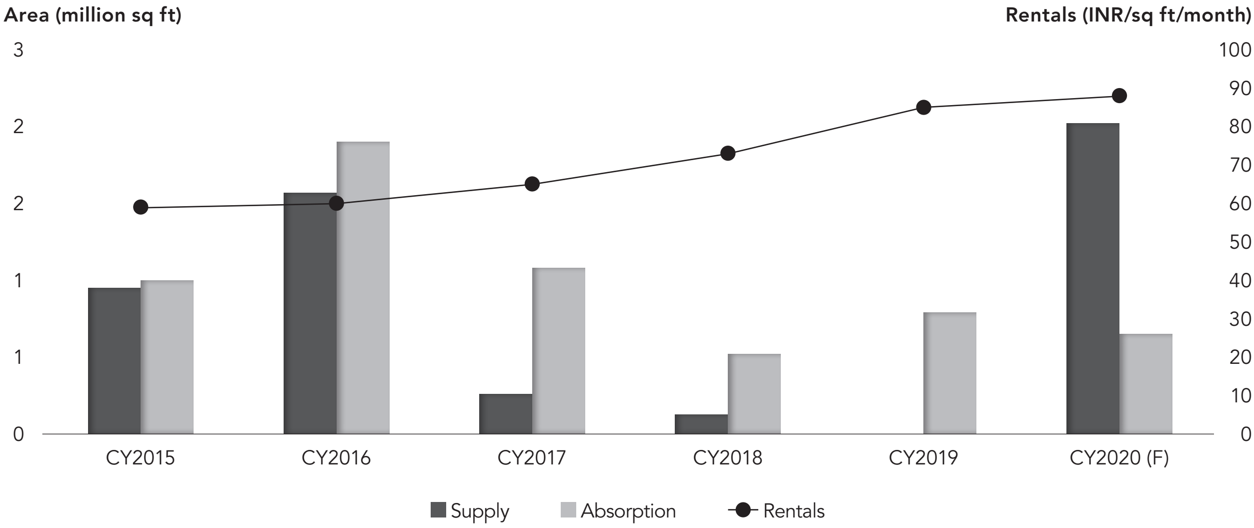


Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. The vacancy in the chart accounts for the gap between cumulative stock and occupied space in the city at the end of any given year and includes secondary spaces (if any) being generated due to churn in the market

3. SUPPLY, ABSORPTION AND RENTAL TRENDS: OMR MICRO-MARKET

- **Supply, Absorption and Rental Trends for Grade A Office in OMR**

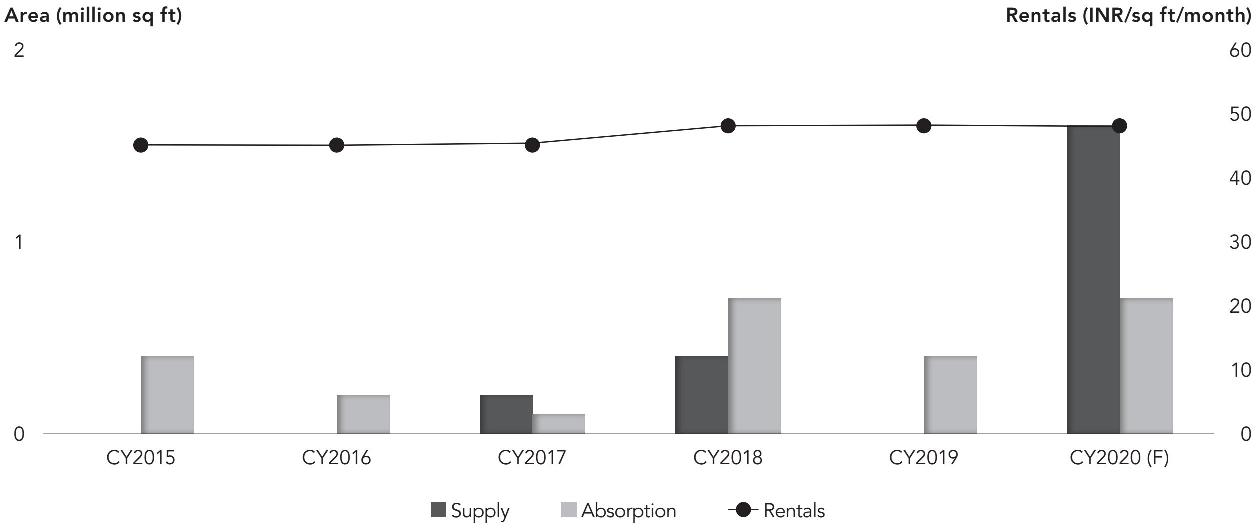


Source: Savills Research
Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. Rents shown are average transacted base rents.

D. CHENNAI COMMERCIAL MARKET OVERVIEW

4. SUPPLY, ABSORPTION AND RENTAL TRENDS: GRAND SOUTHERN TRUNK ROAD MICRO-MARKET

- **Supply, Absorption and Rental Trends for Grade A Office in Grand Southern Trunk Road**



Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. Rents shown are average transacted base rents.

5. ANALYSIS OF DEVELOPMENTS IN OMR AND GRAND SOUTHERN TRUNK ROAD

5.1 Current Commercial Developments in OMR and Grand Southern Trunk Road

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Prominent Occupiers
Chennai One IT SEZ	IG3 Infra Ltd	2012, 2019	3.7	30% - 32%	TCS, DHL Express, Wells Fargo
Ramanujan IT SEZ	Tata Realty and Infrastructure Limited	2011, 2014, 2017	4.8	Fully Occupied	Amazon, Cognizant, Mindtree
Global Infocity Park	Shapoorji and Pallonji	2009, 2014, 2015	2.8	Fully Occupied	Amazon, Ericsson, HSBC
RMZ Millennia	RMZ Corp	2005-2008	2.5	18% - 20%	Caterpillar, Verizon, Shell
The Gateway	Shriram / Xander	2008	2.0	4% - 5%	Accenture, Redington, Sutherland
Prince Info City 2	Prince Foundations	2005	0.7	Fully Occupied	IBM, TATA Communications
Tidel Park	TIDCO and ELCOT	2000	1.3	Fully Occupied	EandY, TCS, Sify Technologies

Source: Savills Research

5. ANALYSIS OF DEVELOPMENTS IN OMR AND GRAND SOUTHERN TRUNK ROAD (continued)

5.2 Upcoming Commercial Developments in OMR

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
DLF iPark	DLF	2023	5.0
Brigade WTC	Brigade	2020	1.9
Prashanthi Niketan's Property	Prashanthi Niketan	2020	0.1

Source: Savills Research

5.3 Upcoming Commercial Developments in Grand Southern Trunk Road

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Gateway Office Park	Xander	2020	1.6

Source: Savills Research

6. OUTLOOK

6.1 OMR

OMR boasts excellent social infrastructure with several renowned educational, health and entertainment centres. Upcoming projects like metro corridor 3 in Phase 2 and OMR elevated corridor are expected to reduce traffic congestion in the micro-market.

The stretch of road before Perungudi Toll, termed as Pre-Toll OMR, is expected to have good absorption with strong demand from IT/ITES, e-commerce and co-working occupiers. Market rentals are expected to witness an upward trend to the range of INR 85-90 per sq ft per month over the next two years. The rental in the Post-Toll OMR stretch is expected to witness a gradual increase over the next two years, in the monthly rental range of INR 50-55 per sq ft.

6.2 Grand Southern Trunk Road

The Grand Southern Trunk Road micro-market encompasses established residential catchment areas such as Tambaram, Chromepet, Pallavaram and Perungalathur, making it an attractive development area for IT/ITES and BPO industries. The micro-market is well-connected in terms of roads and railway infrastructure, which will improve future demand as the area develops.

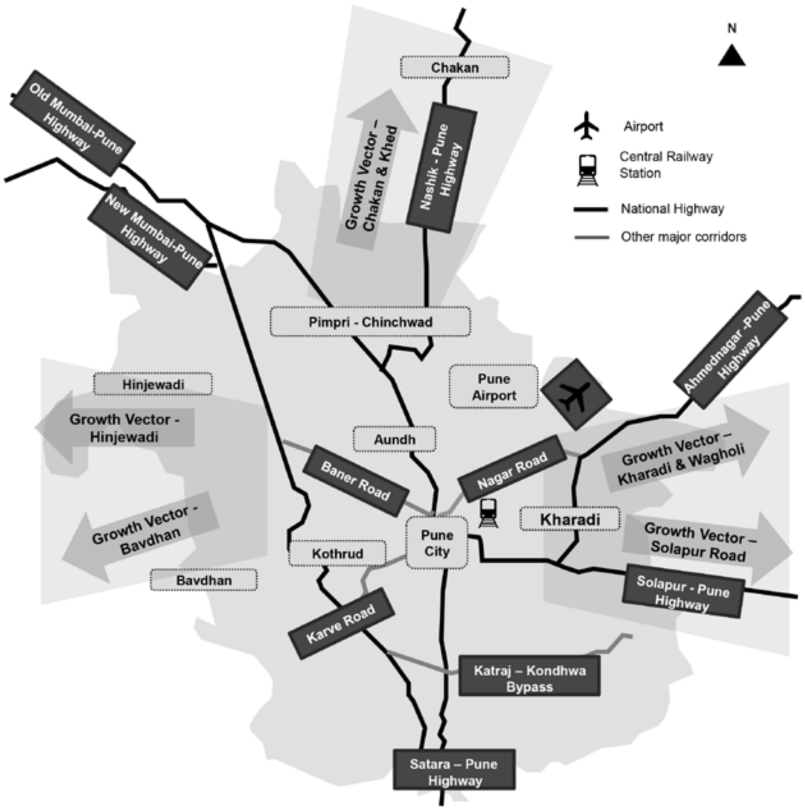
The demand for office space is expected to increase moderately in the next two years. Thereafter, the rentals are expected to remain stable in the range of INR 45-50 per sq ft per month. The micro-market and vicinity are expected to witness approximately 1.6 million sq ft of Grade A office space by the end of CY2021. The proposed Chengalpattu-Tambaram elevated expressway would ease connectivity in South Chennai along the IT corridor and provide better connectivity to the airport.

E. PUNE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW

Located in western India, Pune is the 8th largest metropolis in the country, and the 2nd largest in the state of Maharashtra[7], after Mumbai. Known as the 'Cultural Capital of Maharashtra', Pune is known for various cultural activities such as classical music, theatre, sports and literature and is a premier education destination in the country. Furthermore, Pune is well connected to other prominent cities of India by rail and air.

Pune is known for its established educational institutions, high standard of living and availability of skilled workforce. Some prominent educational institutions in Pune include Indian Institute of Information Technology, College of Engineering Pune and Armed Forces Medical College.



Map not to scale

7 Website of the District Administration, Pune District

E. PUNE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Pune Business District and Micro-Market Classification

Pune can be classified into different activity zones based on the concentration and profile of development activity, as defined below:

Business Districts	Micro-Markets	Description
Central Business District (CBD)	• Bund Garden • Koregaon Park • FC Road	• Primary commercial business district of Pune with many BFSI companies and corporates • Prominent companies include Regus, Snapdeal and Bharat Forge • At the end of CY2019, total office stock in CBD was estimated to be 10.4 million sq ft • Vacancy at the end of CY2019 was estimated at 3.9% • During CY2019, CBD witnessed rentals in the range of INR 90-100 per sq ft per month
Secondary Business District – East (SBD - East)	• Kharadi • Nagar Road • Viman Nagar	• Located approximately 10 km from CBD, SBD - East is a key commercial and IT/ITES business district of Pune with several multinationals • Prominent companies include Barclays, NVIDIA and Mastercard • At the end of CY2019, total office stock in SBD – East was estimated to be 20.4 million sq ft • Vacancy at the end of CY2019 was estimated at 5.5% • During CY2019, SBD - East witnessed rentals in the range of INR 75-85 per sq ft per month
Secondary Business District – West (SBD – West)	• Aundh • Baner • Balewadi	• Located approximately 12 km from CBD, SBD-West is an prominent commercial business district • Prominent companies include Cummins, Siemens and Veritas • At the end of CY2019, total office stock in SBD – West was estimated to be 4.4 million sq ft • Vacancy at the end of CY2019 was estimated at 9.2% • During CY2019, SBD - West witnessed rentals in the range of INR 75-85 per sq ft per month
Peripheral Business District – East (PBD – East)	• Wagholi • Saswad Road • Katraj	• Located approximately 14 km from CBD, PBD-East is a prominent IT/ITES business district with key multinational IT/ITES occupants • Prominent companies include IBM, Amdocs and Accenture At the end of CY2019, total office stock in PBD - East was estimated to be 1.6 million sq ft • Vacancy at the end of CY2019 was estimated at 1.7% • During CY2019, PBD - East witnessed rentals in the range of INR 65-70 per sq ft per month

E. PUNE COMMERCIAL MARKET OVERVIEW

1. CITY OVERVIEW (continued)

1.1 Pune Business District and Micro-Market Classification (continued)

Business Districts	Micro-Markets	Description
Peripheral Business District – West (PBD – West)	• Hinjawadi • Wakad • Pimpri	• Located approximately 20 km from CBD, PBD – West is a prominent IT/ITES business district with major national and multinational IT/ITES occupants • Prominent companies include Infosys, Cognizant and Wipro • At the end of CY2019, total office stock in PBD – West was estimated to be 12.8 million sq ft • Vacancy at the end of CY2019 was estimated at 8.8% • During CY2019, PBD - West witnessed rentals in the range of INR 45-50 per sq ft per month

1.2 Hinjawadi Micro-Market Overview

The Hinjawadi region, part of PBD-West business district, is well connected to other parts of Pune via a network of internal city roads. It is directly connected to the Mumbai-Pune Express Highway, connecting it to Mumbai in the north and Bangalore in the south. The nearest airport is the Pune Airport, located approximately 25 km from the Hinjawadi region.

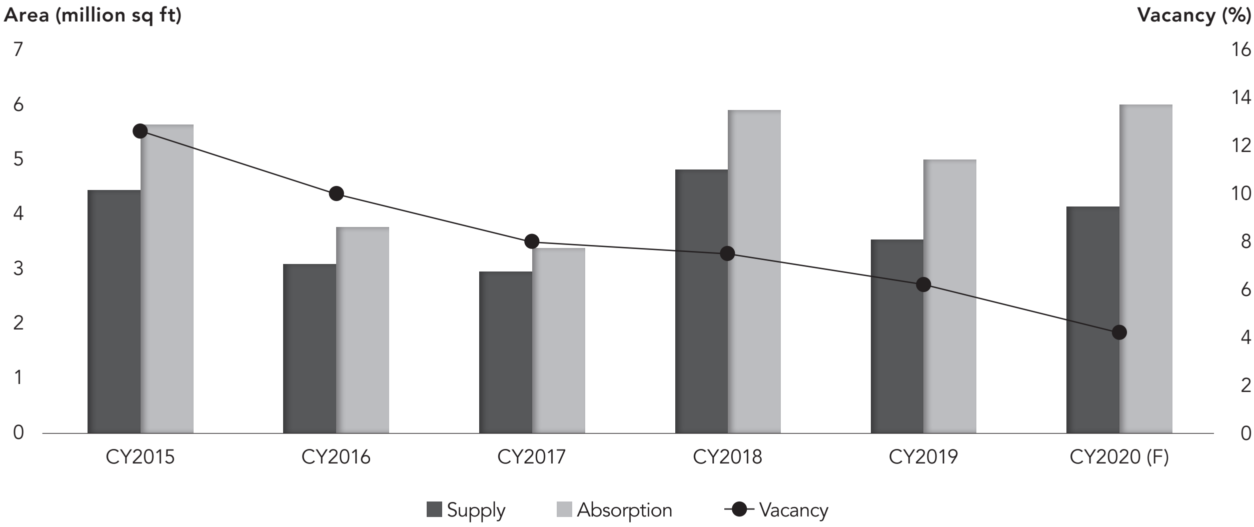
Prominent IT/ITES developments in Hinjawadi include aVance Pune, Embassy Quadron Business Park and Embassy Tech Zone. Some of the largest IT/ITES occupants in the market include Cognizant, Capgemini and Infosys.

Retail developments like Xion Mall are located in Hinjawadi. Convenience stores and restaurants occupy several standalone retail spaces. Hotel brands such as Radisson, Hyatt and Lemon Tree have a presence in the business district. Residential real estate has been developing mainly in Phase 3 of Hinjawadi.

E. PUNE COMMERCIAL MARKET OVERVIEW

2. SUPPLY, ABSORPTION AND VACANCY TRENDS: PUNE

- **City – Supply, Absorption, Vacancy**



Source: Savills Research

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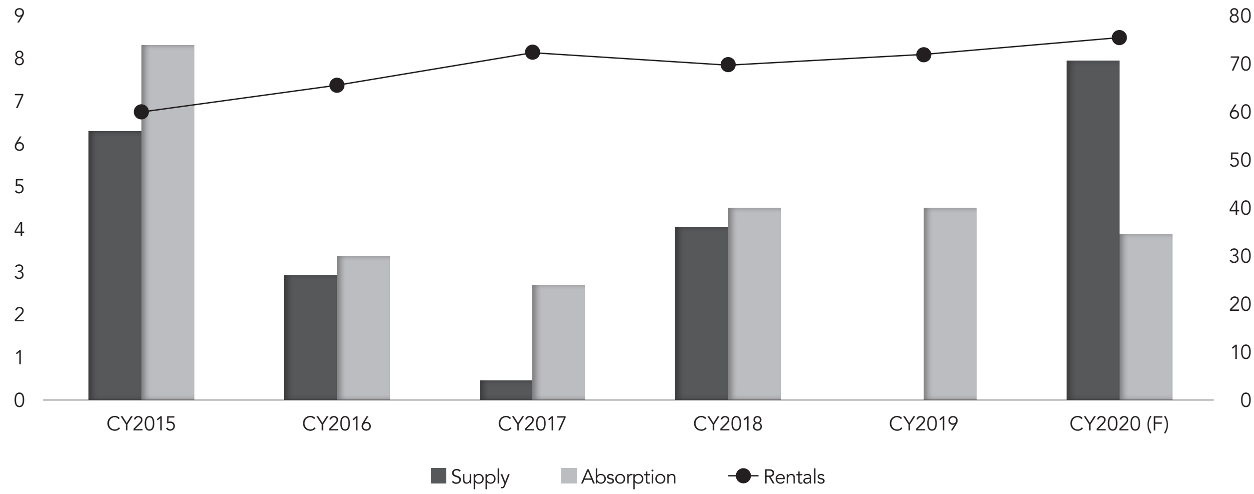
Grade A Office Stock Breakup	Pune	Hinjawadi
Total Completed Stock	49.5 million sq ft	12.8 million sq ft
Breakup – SEZ and Non SEZ	SEZ – 18.5 million sq ft Non SEZ – 31.0 million sq ft	SEZ – 8.6 million sq ft Non SEZ – 4.2 million sq ft

Source: Savills Research

E. PUNE COMMERCIAL MARKET OVERVIEW

3. SUPPLY, ABSORPTION AND RENTAL TRENDS: HINJAWADI MICRO-MARKET

- **Supply, Absorption and Rental Trends for Grade A Office in Hinjawadi**



Source: Savills Research

Note: Supply refers to fresh completed Grade A supply added each year; Absorption refers to fresh and secondary leasing during the year and does not include pre-commitments. Rents shown are average transacted base rents.

4. ANALYSIS OF DEVELOPMENTS IN HINJAWADI

4.1 Current Commercial Developments in Hinjawadi:

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (%)	Prominent Occupiers
Midas	Pesh Group	2011	0.3	10-15%	Coindelta, MSys Technologies
Embassy Tech Zone SEZ	Embassy Group	2010	1.8	7-10%	Calsoft, E-Clerx, Flextronics Technologies
Quantum Tower	Patang Rao Kadam	2010	0.1	10-15%	Advinus Therapeutics Limited
Panchshil Tech Park	Panchshil Realty and Developers Pvt. Ltd.	2009	0.2	10-15%	Brose, Uniglobe Mod Travel, Idea Cellular

Source: Savills Research

4. ANALYSIS OF DEVELOPMENTS IN HINJAWADI (continued)

4.2 Upcoming Commercial Developments in Hinjawadi

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Marco Plaza	Suratwala Group	2021	0.1
Mannara Tech Park	Mannara Technologies	2021	0.1
Pesh Infotech Park	Pesh Group	2021	0.1
Gera IT Park	Gera Developments	2020	0.2
Bluechip IT Park	K Raheja Corp	2020	0.1
Global IT Park	Global Group	2020	1.0
Embassy Techzone (Ganga and Hudson)	Embassy Group	Upon pre-commitment	0.6

Source: Savills Research

5. OUTLOOK

Leasing activity in Pune is driven by strong demand in SBD East and PBD West business districts. Demand will be driven further upon completion of the Pune Metro Line 3 by the end of CY2020. With rising demand across the city in the near to medium term, developers and investors are looking forward to increasing their footprint in the city.

By the end of CY2021, approximately 6 - 7 million sq ft of Grade A office space is anticipated in Pune, out of which supply in Hinjawadi is expected to be 1.8 to 2.0 million sq ft. Hinjawadi is expected to witness absorption with strong demand from IT/ITES occupiers with rentals expected to see an upward trend to the range of INR 45 - 55 per sq ft per month over the next two years.

F. ABBREVIATIONS

CBD	Central Business District
CY	Calendar Year
FDI	Foreign Direct Investment
FY	Financial Year
GST	Goods and Services Tax
INR	Indian Rupee
IT/ITES	Information Technology/ Information Technology Enabled Services
MNC	Multinational Company
PE	Private Equity
RERA	Real Estate Regulatory Authority
SBD	Secondary Business District
SEZ	Special Economic Zone
sq ft.	Square Feet
sq km	Square Kilometre
USD	United States Dollar

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Manohar Khiatani
Deputy Chairman & Non-Executive
Non-Independent Director

Sanjeev Dasgupta
Chief Executive Officer & Executive
Non-Independent Director

Alan Rupert Nisbet
Non-Executive Lead Independent
Director

T.V. Mohandas Pai
Non-Executive Independent
Director

Zia Jaydev Mody
Non-Executive Independent
Director

Jonathan Yap Neng Tong
Non-Executive Non-Independent
Director

AUDIT AND RISK COMMITTEE

Alan Rupert Nisbet (Chairman)
T.V. Mohandas Pai
Zia Jaydev Mody

INVESTMENT COMMITTEE

Manohar Khiatani (Chairman)
T.V. Mohandas Pai
Zia Jaydev Mody
Jonathan Yap Neng Tong

COMPANY SECRETARIES

Mary Judith de Souza
Hon Wei Seng

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