The information in this Preliminary Pricing Supplement is not complete and may be changed. This Preliminary Pricing Supplement is not an offer to sell nor is it an offer to buy securities in any jurisdiction where such offer or sale is not permitted or to any person or entity to whom it is unlawful to make an offer or sale. The definitive terms of the transaction described herein will be described in the final form Pricing Supplement. Investors should not subscribe for any securities referred to in this Preliminary Pricing Supplement except on the basis of information contained in the combination of the final form Pricing Supplement and the Offering Circular referred to herein.

PRICING SUPPLEMENT

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW

[●] September 2018

ASCENDAS PTE LTD

Legal entity identifier (LEI): 254900JCL12A3P88JZ53

Issue of S$[●] [●] per cent. Notes due 2025

under the

S$3,000,000,000

Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") of the Notes set forth in the Offering Circular dated 5 October 2016 (the "**Offering Circular**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA, shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

1.	Issuer:	Ascendas Pte Ltd
2.	(a) Series Number:	001
	(b) Tranche Number:	001
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:	Singapore Dollars ("**S$**")
4.	Aggregate Nominal Amount:	
	(a) Series:	S$[●]

(b) Tranche:	S$[●]
5. (a) Issue Price:	[100.0] per cent. of the Aggregate Nominal Amount
(b) Private banking rebates:	Not Applicable
6. (a) Specified Denominations	S$250,000 and integral multiples in excess thereof
(b) Calculation Amount:	S$250,000
7. (a) Issue Date:	[●] September 2018
(b) Interest Commencement Date:	Issue Date
8. Maturity Date:	[●] September 2025
9. Interest Basis:	[●] per cent. Fixed Rate (further particulars specified below)
10. Redemption/Payment Basis:	Redemption at par
11. Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
12. Put/Call Options:	Not Applicable
13. (a) Status of the Notes:	Senior Dated
(b) Date of Board approval for Notes:	None required

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions	Applicable
(a) Rate(s) of Interest:	[●] per cent. per annum payable semi-annually in arrear
(b) Interest Payment Date(s):	[●] March and [●] September in each year up to and including the Maturity Date, with the first Interest Payment Date being [●] March 2019
(c) Fixed Coupon Amount(s): (Applicable to Notes in definitive form)	Not Applicable
(d) Broken Amount(s): (Applicable to Notes in definitive form)	Not Applicable
(e) Day Count Fraction:	Actual/365 (Fixed)
(f) Determination Date(s):	Not Applicable
(g) Other terms relating to the	None

	method of calculating interest for Fixed Rate Notes:	
15.	Floating Rate Note Provisions	Not Applicable
16.	Zero Coupon Note Provisions	Not Applicable
17.	Index Linked Interest Note Provisions	Not Applicable
18.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Issuer Call:	Not Applicable
20.	Investor Put:	Not Applicable
21.	Final Redemption Amount:	S$250,000 per Calculation Amount
22.	Early Redemption Amount on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5):	S$250,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	Registered Notes: Registered Global Note (S$[●] nominal amount) exchangeable for Definitive Registered Notes only upon the occurrence of an Exchange Event
24.	Governing Law of Notes:	Singapore Law
25.	Additional Financial Centre(s) for Payment Days:	Not Applicable
26.	Offshore Renminbi Centre(s):	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable

29. Details relating to Instalment Notes:	
(a) Instalment Amount(s):	Not Applicable
(b) Instalment Date(s):	Not Applicable
30. Other terms or special conditions:	Not Applicable

DISTRIBUTION

31. Method of distribution:	Syndicated
32. If syndicated, names of Managers:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited
(a) Date of Subscription Agreement	[●] September 2018
(b) Stabilising Manager(s) (if any):	Not Applicable
33. If non-syndicated, name of relevant Dealer:	Not Applicable
34. U.S. Selling Restrictions:	Reg. S Category 1; TEFRA not applicable
35. Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

36. Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):	CDP
37. Delivery:	Delivery free of payment
38. Additional Paying Agent(s) (if any):	Not Applicable
39. ISIN:	[●]
40. Common Code:	[●]
41. Ratings	The Notes to be issued will not be rated
42. Registrar:	Deutsche Bank AG, Hong Kong Branch
43. Listing:	Singapore Exchange Securities Trading Limited
44. Use of Proceeds:	The Issuer will use the net proceeds from the Notes to refinance existing debts and/or to finance potential acquisition opportunities and/or for its general corporate and working capital purposes.

PURPOSE OF THIS PRICING SUPPLEMENT AND LISTING APPLICATION

This Pricing Supplement comprises the final terms required for the issue and admission to the Official List and to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the S$3,000,000,000 Euro Medium Term Note Programme of Ascendas Pte Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

Signed on behalf of the Issuer:

By: ________________________________
Duly authorised

ANNEX 1

SUPPLEMENTARY INFORMATION

The Issuer accepts responsibility for the information contained in this Annex 1. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Annex 1 is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited (the ***relevant Dealers****) do not accept any responsibility or liability for the contents of this Annex 1, for the information incorporated by reference into the Offering Circular, or for any other statement, made or purported to be made by the relevant Dealers or on its behalf in connection with the Issuer or the issue and offering of the Notes. The relevant Dealers accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Annex 1 or any such statement.*

UPDATE

The Group is an integrated real estate developer, asset and fund manager, and one of Asia's leading providers of business space solutions covering science, business and Information Technology parks, high-tech and industrial facilities, offices and commercial space, logistics and distribution properties, ready-built and Built-To-Suit facilities, as well as developments anchored on business space solutions, complemented by adjacent segments such as retail, hospitality and residential components. The Group aims to build upon its existing platform as the leading provider of business space solutions in Asia through strengthening its presence in its home market (Singapore), continuing to grow in its existing key overseas markets (China, India, Australia, Korea and Southeast Asia) and further developing its fund management business, while remaining open to growth opportunities in new markets (including outside Asia). The Issuer is constantly seeking to invest and grow its business and is currently in an advanced stage of acquiring a portfolio of income-producing properties in a developed market outside Asia-Pacific.

The size of the properties subject to the acquisition is approximately 12 per cent. of the total assets of the Group as at 31 March 2018, which was about S$9.9 billion. The proposed acquisition will be funded primarily by the Group through borrowings under its existing banking facilities.

The proceeds raised from the issuance of the Notes will not be utilised to fund the proposed acquisition.

As the proposed acquisition is expected to be income-accretive, the Issuer does not expect the transaction to have a material adverse effect on the business, financial condition and results of operations of the Group.

The directors of the Issuer are Khiatani Manohar Ramesh (Deputy Group Chief Executive Officer of Ascendas-Singbridge Pte. Ltd. (**Ascendas-Singbridge**)) and Jonathan Yap (Group Chief Operating Officer and Group Chief Financial Officer of Ascendas-Singbridge).

TAXATION

(i) The risk factor "Singapore taxation risk" on page 38 of the Offering Circular shall be deemed to be deleted in its entirety and replaced with the following:

"Singapore taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2023 are, pursuant to the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and the Monetary Authority of Singapore ("**MAS**") Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by the MAS on 31 May 2018, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation — Singapore Taxation*". However, there is no assurance that such Notes will continue to enjoy the tax concessions for qualifying debt securities should the relevant tax laws or MAS circulars be amended or revoked at any time."

(ii) The first two paragraphs of the section "*Taxation*", and the section "*Taxation – Singapore Taxation*", from pages 178 to 182 of the Offering Circular shall be deemed to be deleted in their entirety and replaced with the following:

"TAXATION

*The statements herein regarding taxation are based on the laws (including certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore (the "**MAS**") and Inland Revenue Authority of Singapore ("**IRAS**")) in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.*

*In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**") and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.*

Singapore Taxation

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited, each of which was a Financial Sector Incentive (Capital Market) Company or a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by the MAS on 31 May 2018 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") pursuant to the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of the Relevant Securities, the Relevant Securities are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though the Relevant Securities are QDS, if at any time during the tenure of such Relevant Securities, 50 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

(a) "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) "**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:

  (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and

  (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Securities derived by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Pursuant to the Singapore Budget Statement 2018 and the MAS Circular, the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39 or FRS 109 may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after January 1, 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008."

FINANCIAL STATEMENTS

The following audited consolidated financial statements of the Group (including the Auditors' report thereon and notes thereto) for the financial year ended 31 March 2018 shall be incorporated in, and form part of, the Offering Circular.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 March 2018

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ascendas Pte Ltd (the "Company") and its subsidiary companies (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2018, the consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year 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 Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and cash flows of the Group for the year ended on that date.

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, 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.

(i) Valuation of investment properties

The Group owns a portfolio of investment properties, comprising business parks, commercial and hotel properties (both completed and under construction) located mainly in Singapore, India, Australia and China. As at 31 March 2018, the investment properties, with a carrying amount of $5.9 billion, represent the single largest asset category on the Group's statement of financial position.

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd (continued)

Key Audit Matters (continued)

(i) **Valuation of investment properties** (continued)

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

In auditing the fair values of the Group's investment properties, we assessed the Group's process relating to the selection of the external valuers, the determination of the scope work of the valuers, and the Group's review of the valuation reports issued by the external valuers.

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

We considered the valuation methodologies used against those applied by other valuers for similar property types. We assessed the reasonableness of the projected cash flows used in the valuations by comparing to supporting leases and externally available industry and economic data. We involved our internal valuation specialist in assessing the appropriateness of the debt and assumption used in the estimation process. We also assessed the reasonableness of the capitalisation, discount and terminal yield rates, and price per square metre, used in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where necessary, we held discussions with the external valuers to understand the effects of additional factors taken into account in the valuations.

We further reviewed the adequacy of the disclosures in the financial statements as set out in Note 11 and 33 to the financial statements.

(ii) Accounting for business combinations

On 30 January 2018, the Group acquired all the shares of Vinplex India Private Limited ("VINPL") for a total cash consideration of $33.45 million.

As at 31 March 2018, the net carrying amount of the investment amounted to $19.54 million. Included in the net identifiable assets of VINPL acquired are investment property and adjustment for provisional fair value which relates to the identifiable assets and liabilities, based on the preliminary purchase price allocation ("PPA") exercise. Given the materiality of this acquisition and the significant judgement required in the measurement of the fair value of the acquired identifiable assets and liabilities, we considered the accounting for the acquisition of VINPL to be a key audit matter.

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd (continued)

Key Audit Matters (continued)

(ii) Accounting for business combinations (continued)

In auditing the accounting of the acquisition, we performed inquiries with Group management on the identification of identifiable assets and liabilities. We reviewed and assessed the reasonableness of the assumptions used by the management in the estimation of the fair values of the acquired identifiable assets and liabilities based on the nature of the assets and liabilities. We also reviewed and assessed the reasonableness of the assumptions used by the management in determining that there are no incremental intangible assets to be recognised. In addition, we reviewed the determination of the excess of the purchase consideration over the fair value of the identifiable net assets, which was recognized as goodwill. We also assessed the adequacy of the disclosures in the financial statements in Note 28 to the financial statements.

(iii) Current and deferred tax exposure

As at 31 March 2018, the Group has recognised income tax provision of $136.0 million and income tax expense of $121.2 million. The Group also recognised deferred tax assets and deferred tax liabilities of $29.4 million and $327.3 million respectively. The Group operates in various countries with respective local tax regulations, including Singapore, India and China. The extent of current and deferred tax exposure are subject to the tax laws and regulations in the respective countries, business combinations, disposal of properties or investment, withholding taxes and etc. Where the precise impact of these laws and regulations on indirect taxes and the tax payable on profits arising in those jurisdictions is unclear, 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. Due to the significance of the amounts to the financial statements and the management judgement involved, this is determined to be a key audit matter.

In this area, our audit procedures included, among others, assessment of correspondence with the relevant tax authorities and the use of our own local and international tax specialists, who have knowledge of the relevant indirect and direct tax regimes and experience in their application, to analyse and evaluate the assumptions used to determine the tax charge.

We reviewed management's key judgements in respect of deferred tax assets by considering future forecasts of profitability, past results, length of forecast period and risk factors applied and used these to assess the probability that sufficient future taxable profits will arise.

In addition, we assessed the adequacy of the Group's disclosures on current and deferred tax positions and assumptions used. The Group's disclosures concerning income and deferred taxes are included in Note 9 to the consolidated financial statements.

(iv) Impairment assessment of goodwill

The carrying amount of goodwill amounted to $217.2 million at 31 March 2018, which represented 2.20% of total assets as at 31 March 2018.

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd (continued)

Key Audit Matters (continued)

(iv) Impairment assessment of goodwill (continued)

The Group performs an annual impairment review to assess the recoverability of goodwill. The recoverable amount of goodwill is dependent on the future profitability. Several assumptions are required by the Group in order to test for impairment, namely forecasted future cash flows, which are judgmental and are based on assumptions that are affected by expected future market and economic conditions. The discount rate and long term growth rate set by the Group and applied to the future cash flows is also subject to inherent complexities. Accordingly, we have determined this to be a key audit matter. As disclosed in Note 10, the Group's goodwill is allocated to groups of cash generating units ("CGUs").

We examined the methodology used to assess the carrying value of the goodwill balances allocated to the Group's CGUs in accordance with the applicable accounting standards. We reviewed the robustness of the Group's budgeting process by comparing the actual results achieved against previously forecasted budgets. We assessed and tested the assumptions which the outcome of the impairment test is most sensitive and data used by comparing them to external data such as analysts' reports. We also reviewed the Group's analysis of the sensitivity of the recoverable amounts to changes in the significant assumptions.

Further, we also assessed whether these future cash flows were based on the budget approved by the Board of Directors. We assessed the appropriateness of key assumptions, notably the discount rate and long term growth rate. This included an assessment of the specific inputs to the discount rate, including the risk-free rate, equity risk premium and beta, along with gearing and cost of debt. Such inputs were benchmarked either against risk rates in specific international markets in which the Group operates or equivalent data for peer companies.

We also focused on the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on goodwill, key assumptions and sensitivities are included in Note 10.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement, 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.

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd (continued)

Key Audit Matters (continued)

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 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 directors' 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 skepticism throughout the audit. We also:

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

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

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

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

Independent Auditor's Report to the Shareholder of Ascendas Pte Ltd (continued)

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 directors 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 directors 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 directors, 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 Company 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 Mr. Ken Ong.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

30 May 2018

ASCENDAS PTE LTD
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2018

	Note	The Group 2018 $'000	2017 $'000
Revenue	4	**841,490**	703,191
Other gains/losses - net	5	**137,367**	161,609
Expenses			
Cost of development properties sold		**(52,539)**	-
Depreciation of property, plant and equipment	12	**(31,934)**	(32,216)
Maintenance and conservancy expenses		**(57,828)**	(53,831)
Employee compensation	6	**(210,753)**	(215,962)
Property taxes		**(22,372)**	(23,294)
Other operating expenses	7	**(139,442)**	(140,743)
Finance expense	8	**(106,838)**	(101,346)
Total expenses		**(621,706)**	(567,392)
Share of profits of associated and joint venture companies		**155,683**	138,949
Profit before tax		**512,834**	436,357
Income taxes	9(a)	**(121,157)**	(85,125)
Profit for the year		**391,677**	351,232
Other comprehensive income :			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale financial assets – fair value (losses)/gains		**(25)**	712
Cash flow hedges – fair value losses		**(9,449)**	(8,305)
Cash flow hedges – reclassification to profit or loss upon settlement		**8,587**	7,020
Currency translation differences arising from consolidation		**12,826**	43,072
Currency translation reserve released on disposal of subsidiary companies charged to other gains/losses – net		**5,919**	(1,354)
Currency translation reserve released on disposal of associated and joint venture companies charged to other gains/losses – net		**7,022**	(5,211)
Share of other comprehensive income of associated and joint venture companies		**(19,088)**	22,907
Other comprehensive income for the year, net of tax		**5,792**	58,841
Total comprehensive income for the year		**397,469**	410,073
Profit attributable to:			
Equity holder of the Company		**347,713**	282,775
Non-controlling interests		**43,964**	68,457
		391,677	351,232
Total comprehensive income attributable to:			
Equity holder of the Company		**341,646**	315,634
Non-controlling interests		**55,823**	94,439
		397,469	410,073

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

ASCENDAS PTE LTD
AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS
As at 31 March 2018

	Note	The Group 2018 $'000	The Group 2017 $'000	The Company 2018 $'000	The Company 2017 $'000
ASSETS					
Non-current assets					
Deferred tax assets	9(b)	**29,380**	9,285	**-**	-
Intangible assets	10	**280,895**	278,671	**-**	-
Investment properties	11	**5,929,522**	5,638,346	**-**	-
Property, plant and equipment	12	**508,503**	619,293	**-**	-
Investments in subsidiary companies	13	**-**	-	**801,820**	801,820
Investments in associated and joint venture companies	14	**1,828,442**	1,885,082	**-**	-
Other non-current assets		**1,459**	2,294	**-**	-
Trade and other receivables	15	**795**	1,085	**-**	-
Deposits		**6,325**	15,011	**-**	-
Cash and bank balances	16	**8,996**	7,215	**-**	-
Available-for-sale financial assets	17	**14,576**	11,376	**-**	-
Derivative financial instruments	19	**10,108**	15,891	**-**	31
		8,619,001	8,483,549	**801,820**	801,851
Current assets					
Assets of disposal group held for sale	30(b)	**105,561**	-	**-**	-
Asset held for sale	30(a)	**106,000**	-	**-**	-
Properties under development	18(a)	**-**	15,747	**-**	-
Properties held for sale	18(b)	**28,977**	52,248	**-**	-
Derivative financial instruments	19	**3,059**	419	**43**	28
Consumables		**363**	430	**-**	-
Prepayments		**13,315**	12,298	**27**	24
Trade and other receivables	15	**171,765**	191,290	**2,498,306**	2,415,069
Deposits		**119,836**	4,116	**5**	8
Cash and bank balances	16	**728,216**	779,348	**191,061**	234,914
		1,277,092	1,055,896	**2,689,442**	2,650,043
Total assets		**9,896,093**	9,539,445	**3,491,262**	3,451,894

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

ASCENDAS PTE LTD
AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS
As at 31 March 2018

	Note	The Group 2018 $'000	The Group 2017 $'000	The Company 2018 $'000	The Company 2017 $'000
LIABILITIES					
Current liabilities					
Liabilities directly associated with disposal group held for sale	30(b)	**6,077**	-	**-**	-
Trade and other payables	20	**1,029,877**	625,189	**1,605,754**	1,052,806
Current income tax liabilities		**135,977**	105,205	**89**	8
Borrowings	23	**415,927**	446,248	**33,981**	99,900
Derivative financial instruments	19	**2,604**	2,369	**-**	99
		1,590,462	1,179,011	**1,639,824**	1,152,813
Non-current liabilities					
Other payables	21	**99,707**	132,731	**-**	-
Loan from non-controlling interest	22	**4,800**	4,800	**-**	-
Borrowings	23	**3,111,595**	2,958,611	**778,924**	892,342
Deferred income - others		**7,371**	4,378	**-**	-
Derivative financial instruments	19	**14,660**	10,119	**984**	1,906
Deferred tax liabilities	9(b)	**327,332**	271,446	**-**	-
		3,565,465	3,382,085	**779,908**	894,248
Total liabilities		**5,155,927**	4,561,096	**2,419,732**	2,047,061
NET ASSETS		**4,740,166**	4,978,349	**1,071,530**	1,404,833
EQUITY					
Capital and reserves attributable to the equity holder of the Company					
Share capital	24	**585,622**	585,622	**585,622**	585,622
Fair value and other reserves	25	**(137,271)**	(123,808)	**(941)**	(1,946)
Revenue reserve	26	**3,370,349**	3,523,675	**486,849**	821,157
Reserve of disposal group held for sale		**2,454**	-	**-**	-
		3,821,154	3,985,489	**1,071,530**	1,404,833
Non-controlling interests		**919,012**	992,860	**-**	-
TOTAL EQUITY		**4,740,166**	4,978,349	**1,071,530**	1,404,833

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	← Attributable to equity holder of the Company →									
	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserve $'000	Revenue reserve $'000	Reserves of disposal group held for sale $'000	Equity attributable to the equity holder of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018										
Beginning of financial year	**585,622**	**(147,962)**	**2,002**	**(1,012)**	**23,164**	**3,523,675**	**-**	**3,985,489**	**992,860**	**4,978,349**
Profit for the year	-	-	-	-	-	347,713	-	347,713	43,964	391,677
Other comprehensive income:										
Available-for-sale financial assets										
– fair value losses	-	-	(25)	-	-	-	-	(25)	-	(25)
Cash flow hedges										
– fair value losses	-	-	-	(10,715)	-	-	-	(10,715)	1,266	(9,449)
– reclassification to profit or loss upon settlement	-	-	-	8,587	-	-	-	8,587	-	8,587
Currency translation differences arising from consolidation	-	2,235	-	-	-	-	-	2,235	10,591	12,826
Currency translation reserve released on disposal of subsidiary companies charged to other gains/losses – net	-	5,917	-	-	-	-	-	5,917	2	5,919
Currency translation reserve released on disposal of associated and joint venture companies charged to other gains/losses – net	-	7,022	-	-	-	-	-	7,022	-	7,022
Share of other comprehensive income of associated and joint venture companies	-	(19,722)	6	628	-	-	-	(19,088)	-	(19,088)
Other comprehensive income for the year, net of tax	-	(4,548)	(19)	(1,500)	-	-	-	(6,067)	11,859	5,792
Total comprehensive income for the year	**-**	**(4,548)**	**(19)**	**(1,500)**	**-**	**347,713**	**-**	**341,646**	**55,823**	**397,469**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	← Attributable to equity holder of the Company →									
	Share capital	Foreign currency translation reserve	Fair value reserve	Hedging reserve	Other reserve	Revenue reserve	Reserves of disposal group held for sale	Equity attributable to the equity holder of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contributions by and distributions to owners:										
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	13,510	13,510
Capital returned to non-controlling interests	-	-	-	-	-	-	-	-	(72,212)	(72,212)
Dividends paid to equity holder of the Company (Note 27)	-	-	-	-	-	(500,000)	-	(500,000)	-	(500,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(66,846)	(66,846)
Total contributions by and distributions to owners	-	-	-	-	-	(500,000)	-	(500,000)	(125,548)	(625,548)
Changes in ownership interests in subsidiary companies:										
Additional interest in subsidiary companies	-	-	-	-	-	-	-	-	(10,104)	(10,104)
Equity movement arising from decrease in shareholding interest in a subsidiary without loss of control	-	-	-	-	455	-	-	455	(455)	-
Total changes in ownership interests in subsidiary companies	-	-	-	-	455	-	-	455	(10,559)	(10,104)
Total transactions with owners in their capacity as owners	-	-	-	-	455	(500,000)	-	(499,545)	(136,107)	(635,652)
Others:										
Reserves attributable to disposal group held for sale	-	(9,382)	-	492	-	-	2,454	(6,436)	6,436	-
Transfer between reserves	-	-	-	-	1,039	(1,039)	-	-	-	-
Total others	-	(9,382)	-	492	1,039	(1,039)	2,454	(6,436)	6,436	-
End of financial year	**585,622**	**(161,892)**	**1,983**	**(2,020)**	**24,658**	**3,370,349**	**2,454**	**3,821,154**	**919,012**	**4,740,166**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	← Attributable to equity holder of the Company							→		
	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserve $'000	Revenue reserve $'000	Reserves of disposal group held for sale $'000	Equity attributable to the equity holder of the Company $'000	Non-controlling interests $'000	Total equity $'000
2017										
Beginning of financial year	**585,622**	**(173,383)**	**1,290**	**1,863**	**11,284**	**3,372,068**	**(9,693)**	**3,789,051**	**928,207**	**4,717,258**
Profit for the year	-	-	-	-	-	282,775	-	282,775	68,457	351,232
Other comprehensive income:										
Available-for-sale financial assets										
– fair value gains	-	-	712	-	-	-	-	712	-	712
Cash flow hedges										
– fair value losses	-	-	-	(8,090)	-	-	-	(8,090)	(215)	(8,305)
– reclassification to profit or loss upon settlement	-	-	-	7,020	-	-	-	7,020	-	7,020
Currency translation differences arising from consolidation	-	16,875	-	-	-	-	-	16,875	26,197	43,072
Currency translation reserve released on disposal of subsidiary companies charged to other gains/losses – net	-	(1,354)	-	-	-	-	-	(1,354)	-	(1,354)
Currency translation reserve released on disposal of associated and joint venture companies charged to other gains/losses – net	-	(5,211)	-	-	-	-	-	(5,211)	-	(5,211)
Share of other comprehensive income of associated and joint venture companies	-	24,804	-	(1,805)	(92)	-	-	22,907	-	22,907
Other comprehensive income for the year, net of tax	-	35,114	712	(2,875)	(92)	-	-	32,859	25,982	58,841
Total comprehensive income for the year	**-**	**35,114**	**712**	**(2,875)**	**(92)**	**282,775**	**-**	**315,634**	**94,439**	**410,073**

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

ASCENDAS PTE LTD
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2018

	← Attributable to equity holder of the Company →									
	Share capital	Foreign currency translation reserve	Fair value reserve	Hedging reserve	Other reserve	Revenue reserve	Reserves of disposal group held for sale	Equity attributable to the equity holder of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contributions by and distributions to owners:										
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	90,371	90,371
Capital returned to non-controlling interests	-	-	-	-	-	-	-	-	(6,870)	(6,870)
Dividends paid to equity holder of the Company (Note 27)	-	-	-	-	-	(130,000)	-	(130,000)	-	(130,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(57,693)	(57,693)
Total contributions by and distributions to owners	-	-	-	-	-	(130,000)	-	(130,000)	25,808	(104,192)
Changes in ownership interests in subsidiary companies:										
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	9	9
Disposal of interest in subsidiary companies	-	-	-	-	(194)	-	-	(194)	(44,605)	(44,799)
Additional interest in subsidiary companies	-	-	-	-	(1,094)	-	-	(1,094)	1,094	-
Equity movement arising from decrease in shareholding interest in a subsidiary without loss of control	-	-	-	-	12,092	-	-	12,092	(12,092)	-
Total changes in ownership interests in subsidiary companies	-	-	-	-	10,804	-	-	10,804	(55,594)	(44,790)
Total transactions with owners in their capacity as owners	-	-	-	-	10,804	(130,000)	-	(119,196)	(29,786)	(148,982)
Others:										
Reserves attributable to disposal group held for sale	-	(9,693)	-	-	-	-	9,693	-	-	-
Transfer between reserves	-	-	-	-	1,168	(1,168)	-	-	-	-
Total others	-	(9,693)	-	-	1,168	(1,168)	9,693	-	-	-
End of financial year	**585,622**	**(147,962)**	**2,002**	**(1,012)**	**23,164**	**3,523,675**	**-**	**3,985,489**	**992,860**	**4,978,349**

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Operating activities			
Profit before tax		**512,834**	436,357
Adjustments for:			
Depreciation and amortisation		**25,739**	25,657
Dividend income from quoted and unquoted investments	5	**(559)**	(565)
Interest income		**(11,122)**	(6,496)
Interest expense	8	**106,838**	101,346
(Gain)/loss on disposal of:			
- investment properties	5	**(5,542)**	(44,769)
- property, plant and equipment	5	**(28)**	55
- subsidiary companies	5	**5,701**	(1,178)
- associated company	5	**7,022**	-
Gain on dilution of interest in associated companies	5	**(5,363)**	(13,416)
Management fee paid in units		**(15,400)**	(18,208)
Foreign exchange loss from capital reduction		**32,764**	3,299
(Writeback of impairment)/Impairment losses of:			
- property, plant and equipment	5	**(3,100)**	4,157
- investment made on associated companies	5	**303**	58
Allowance for impairment of receivables made/(written back):			
- trade receivables from non-related parties	32(b)(ii)	**250**	(442)
- other receivables from non-related parties	5	**3**	1,299
- amounts owing by associated and joint venture companies	5	**4,679**	(3,104)
- deposits	5	**(6,048)**	7,667
Bad debts written off		**15**	159
Share of profits of associated and joint venture companies		**(155,683)**	(138,949)
(Writeback of provision)/provision for foreseeable losses on:			
- associated company	5	**-**	(15,210)
- contracts	5	**(8,844)**	17,687
Goodwill written off		**209**	10
Investment properties written off		**756**	2,001
Property, plant and equipment written off		**59**	55
Fair value loss on security deposits		**767**	1,046
Fair value gain on deferred payments		**(34)**	(13)
Fair value gain on derivative financial instruments	5	**(1,336)**	(6,976)
Net fair value change on investment properties	5	**(150,190)**	(100,378)
Notional rental revenue	4(ii)	**-**	(2,635)
Total adjustments		**(178,144)**	(187,843)
Operating cash flows before changes in working capital		334,690	248,514

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

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Operating activities (continued)			
Changes in working capital:			
Consumables		**14**	(50)
Properties under development		**39,018**	(15,969)
Trade and other receivables		**5,321**	60,572
Prepayments		**(1,095)**	(1,457)
Deposits		**(118,909)**	(7,941)
Trade and other payables		**111,660**	12,710
Unrealised translation differences		**16,022**	(14,352)
Total changes in working capital		**52,031**	33,513
Cash flows from operations		**386,721**	282,027
Interest paid		**(114,800)**	(100,855)
Cash settlement of interest rate swaps		**(10,163)**	(6,897)
Interest received		**11,121**	6,467
Income tax paid		**(58,891)**	(55,332)
Net cash flows from operating activities		**213,988**	125,410
Investing activities			
Purchase of investment properties		**(549,953)**	(148,967)
Purchase of property, plant and equipment		**(19,924)**	(18,783)
Net cash inflow/(outflow) from disposal of subsidiary companies	29	**25,307**	(39,534)
Proceeds from disposal of investment properties		**362,588**	300,000
Proceeds from disposal of property, plant and equipment		**99**	58
Increase in investments in associated and joint venture companies		**(14,796)**	(14,957)
Dividend received from			
- quoted and unquoted investments	5	**559**	565
- associated and joint venture companies		**124,774**	130,172
Loan from joint venture company		**54,000**	-
Purchase of available-for-sale financial assets	17	**(3,206)**	-
Acquisition of subsidiary companies, net of cash acquired	28	**(31,713)**	(246,307)
Capital return from associated companies		**101,346**	-
Deposits received from China disposal group		**19,460**	-
Decrease/(increase) in restricted cash and fixed deposits		**24,147**	(1,853)
Net cash flows generated from/(used in) investing activities		**92,688**	(39,606)

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Financing activities			
Repayment of borrowings		**(762,753)**	(1,142,073)
Proceeds from borrowings		**882,499**	1,276,225
Repayment of loan from non-controlling interests		**(144,840)**	-
Capital contribution by non-controlling interest		**13,510**	90,371
Capital return to non-controlling interest		**(72,212)**	(6,870)
Acquisition of additional interest from non-controlling interest		**(10,104)**	-
Increase in deferred income		**2,993**	1,955
Fixed deposits pledged with financial institutions		**(2,224)**	-
Fixed deposits discharged by financial institutions		**9,000**	117
Dividend paid to equity holder of the Company		**(143,000)**	(127,000)
Dividend paid to non-controlling interests		**(66,846)**	(57,693)
Net cash flows (used in)/generated from financing activities		**(293,977)**	35,032
Net increase in cash and cash equivalents		**12,699**	120,836
Cash and cash equivalents at beginning of financial year		**737,230**	613,350
Effects of exchange rate changes on cash and cash equivalents		**(4,988)**	3,044
Cash and cash equivalents at end of financial year		**744,941**	737,230
Cash and cash equivalents is inclusive of:			
- Cash of disposal group held for sale	30	**25,870**	-

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

1. Corporate information

Ascendas Pte Ltd (the "Company") is a limited liability company domiciled and incorporated in Singapore. The Company's immediate and ultimate holding companies are Ascendas-Singbridge Pte Ltd and Temasek Holdings (Private) Limited respectively, which are both domiciled and 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 activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 38 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 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 year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2017. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Company.

2. **Significant accounting policies** (continued)

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 102 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Improvements to FRSs (December 2016) - Amendments to FRS 28 *Investments in Associates and Joint Ventures*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 109 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to FRS 28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 *Business Combinations*	1 January 2019
- Amendments to FRS 111 *Joint Arrangements*	1 January 2019
- Amendments to FRS 12 *Income Taxes*	1 January 2019
- Amendments to FRS 23 *Borrowing Costs*	1 January 2019
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

Except for FRS 109, FRS 115 and FRS 116, the Group expects that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 115: *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

2. **Significant accounting policies** (continued)

2.3 Standards issued but not yet effective (continued)

FRS 115: *Revenue from Contracts with Customers* (continued)

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group also plans to apply the following practical expedients:

- For completed contracts, the Group plans not to restate contracts that are completed contracts at 1 April 2017, and

- For completed contracts that have variable consideration, the Group plans to use the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year.

The Group currently has two sales of development properties projects which recognised revenue using the completed contract method and will adjust upon adoption of FRS 115 to recognise the revenue over time. The Group expects a decrease in opening retained earnings as at 1 April 2017 arising from the adoption of FRS 115.

FRS 109: *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

(a) Classification and measurement

The Group currently measures one of its available-for-sale equity securities at cost. Under FRS 109, the Group will be required to measure this investment at fair value. The Group will elect to measure this investment at fair value through profit or loss ("FVTPL"). For available-for-sale equity securities which are currently measured at fair value through other comprehensive income, the Group will also elect to measure these investments at FVTPL. Any difference between the previous carrying amount under FRS 39 and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109.

The Group expects an increase in the opening retained earnings as at 1 April 2018 from these changes.

2. **Significant accounting policies** (continued)

2.3 Standards issued but not yet effective (continued)

FRS 109 *Financial Instruments* (continued)

(b) Impairment

FRS 109 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a twelve-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

FRS 116: *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect their rights to use leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of "low-value" assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of the new standard will result in increase in total assets and total liabilities, earnings before interest tax depreciation and amortisation ("EBITDA") and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening retained earnings as at 1 April 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact on adoption.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) Premiums received in respect of long term leases are recognised as revenue:

- on an equal annual basis over the period of the lease in respect of land which are leased for periods substantially shorter than the remaining tenure of the land owned by the Group; or
- in the year when the leases are entered into in respect of land which are leased for periods substantially the same as the remaining tenure of the land owned by the Group.

2. **Significant accounting policies** (continued)

2.4 Revenue recognition (continued)

(b) Revenue from consultancy and turnkey projects is recognised using the completed contract method.

(c) Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the management are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the profit or loss when they arise.

(d) Management fees and agency fees from the provision of property management, fund management and other consultancy services are recognised when the services have been rendered.

(e) Revenue from the generation and supply of power is recognised on an accrual basis, upon rendering of services.

(f) Dividend income is recognised when the right to receive payment is established.

(g) Interest income from finance leases is accrued on a time-proportion basis as provided for in the finance lease agreement. Interest income from bank deposits and other interest bearing receivables is accrued on a time-proportion basis using the effective interest method.

(h) Revenue on in-house renovation projects are recognised using the percentage of completion method. Profit is brought to the financial statements only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The percentage of completion is measured with reference to the percentage of costs incurred to date compared to the estimated total costs for each contract.

(i) Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

2. **Significant accounting policies** (continued)

2.4 Revenue recognition (continued)

(j) Sale of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprises:

- A contract to construct a property; or
- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer; and

- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

(k) Carpark income is recognised on an accrual basis.

(l) Hotel income, which comprises hotel room revenue and food and beverages ("F&B") revenue, are recognised when the relevant rooms and F&B services have been provided to the customer.

2. **Significant accounting policies** (continued)

2.5 Group accounting

(a) *Basis of consolidation and business combinations*

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to 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.

Subsidiary companies 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 within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary company, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary company at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

Business combinations

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2. **Significant accounting policies** (continued)

2.5 Group accounting (continued)

(a) *Basis of consolidation and business combinations* (continued)

Business combinations (continued)

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 accordance with FRS 39 in profit or loss. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest 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. The accounting policy for goodwill is set out in Note 2.10. 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.

(b) *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to the equity holder of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to equity holder of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holder of the Company.

2. **Significant accounting policies** (continued)

2.5 Group accounting (continued)

(c) 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.

i) Joint operation companies

The Group recognises in relation to its interest in a joint operation company:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

ii) Joint venture companies

The Group recognises its interest in a joint venture company as an investment and accounts for the investment using the equity method. Please refer to Note 2.5(d) for the Group's accounting policy on investment in joint venture companies.

(d) Associated and joint venture companies

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 accounts for its investments in associated and joint venture companies using the equity method from the date on which it becomes an associate or joint venture.

2. **Significant accounting policies** (continued)

2.5 Group accounting (continued)

(d) *Associated and joint venture companies* (continued)

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 is accounted as goodwill (Note 2.10) 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 investments in associated or joint venture companies 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 associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures 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 venture. 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 Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2. **Significant accounting policies** (continued)

2.5 Group accounting (continued)

(d) *Associated and joint venture companies* (continued)

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Please refer to Note 2.14 for the Company's accounting policy on investments in associated and joint venture companies in the financial statements of the Company.

(e) *Property acquisitions*

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of judgement is set out in Note 3(b)(v).

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

2.6 Property, plant and equipment

(a) *Measurement*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses (Note 2.15).

The cost of an item of property, 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 by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure relating to construction is capitalised as capital work-in-progress when incurred and no depreciation is provided until the construction is completed.

2. **Significant accounting policies** (continued)

2.6 Property, plant and equipment (continued)

(b) *Depreciation*

Freehold land and capital work-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over the estimated useful lives as follows:

		Useful lives
Leasehold land	-	29 years
Buildings	-	26 to 31 years
Renovations and improvements	-	3 to 10 years
Computers, furniture and equipment	-	2 to 30 years
Motor vehicles	-	5 to 8 years

The residual values, depreciation method and estimated useful lives of property, plant and 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 property, 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 Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 Investment properties

Investment properties of the Group comprise both properties being constructed or developed for future rental; and principally completed office buildings and land that is held for a currently undetermined future use. Such properties are held for long-term rental yields and capital appreciation and are not occupied by the Group. Properties accounted for as finance leases and which meet the definition of investment properties are classified as such in the financial statements.

Investment properties are initially recognised at cost, including transaction costs and other directly related development expenditure, including borrowing costs incurred in developing the properties. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

2. **Significant accounting policies** (continued)

2.7 Investment properties (continued)

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of the investment properties are included in profit or loss in the year in which they arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

An investment property is de-recognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the profit or loss in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the property.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation. Transfers are made from investment property when, and only when, there is a change in use, evidenced by either the commencement of owner occupation or commencement of development with an intention for sale.

Where a Group subsidiary uses only part of a property owned by another Group subsidiary, utilisation of less than 25% is regarded as immaterial, which means that the whole property is stated at market value as an investment property.

2.8 Properties under development

Properties under development refer to properties acquired or being constructed for sale in the ordinary course of business.

Properties under development that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

2.9 Properties held for sale

Completed properties held for sale are carried at lower of cost and net realisable value. Costs include:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

2. **Significant accounting policies** (continued)

2.9 Properties held for sale (continued)

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.10 Goodwill on acquisitions

Goodwill represents the excess of the cost of an acquisition of subsidiary companies, associated or joint venture companies over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary companies, associated and joint venture companies at the date of acquisition.

Goodwill on acquisitions of subsidiary companies is recognised separately as an asset on the balance sheet. Goodwill on acquisition of associated or joint venture companies is included in the carrying amount of investments in associated companies or joint venture companies.

Goodwill recognised separately is tested at least annually for impairment and carried at cost less accumulated impairment losses (Note 2.15).

Gains and losses on the disposal of the subsidiary companies, associated or joint venture companies include the carrying amount of goodwill relating to the entity sold.

2.11 Fund management rights

(a) *Measurement*

Fund management rights that are acquired by the Group have finite useful life and are measured at cost less accumulated amortisation and accumulated impairment losses.

Fund management rights are reviewed for impairment at each reporting date or whenever there is any objective evidence or indication that these assets may be impaired.

(b) *Amortisation*

Amortisation is calculated over the cost of the asset, less its residual value.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful life of the rights from the date they are available for use, since this most clearly reflect the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives of the fund management rights are 20 years.

2. **Significant accounting policies** (continued)

2.12 Management contracts

Management contracts are measured at cost less accumulated impairment losses. They are assessed for impairment at each balance sheet date whenever there is an indication that these assets may be impaired.

2.13 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 or sale 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 or sale. All other borrowing costs are expensed in the period they occur.

The cost capitalised is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

2.14 Investments in subsidiary companies, associated and joint venture companies

Investments in subsidiary companies, associated and joint venture companies are carried at cost less accumulated impairment losses (Note 2.15) in the Company's balance sheet. On disposal of investments in subsidiary companies, associated and joint venture companies, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.15 Impairment of non-financial assets

(a) *Goodwill*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated company is tested for impairment as part of the investments, rather than separately.

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.

2. **Significant accounting policies** (continued)

2.15 Impairment of non-financial assets (continued)

(b) *Property, plant and equipment*
Investments in subsidiary companies, associated and joint venture companies

Property, plant and equipment and investment in subsidiary companies, associated and joint venture companies are reviewed for impairment at each balance sheet date 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 CGU to which the asset belongs. In assessing 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 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 valuation multiples or other available fair value indicators.

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 only if there has been a change in the estimates used to determine the asset's 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.

2.16 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

2. **Significant accounting policies** (continued)

2.16 Financial assets (continued)

(a) *Classification* (continued)

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than twelve months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as cash and bank balances, deposits and trade and other receivables on the balance sheet.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

(b) *Recognition and de-recognition*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised where the contractual rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of the assets.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(c) *Initial measurement*

Financial assets classified in Note 2.16(a)(i) and (ii) are initially recognised at fair value plus directly attributable transaction costs.

(d) *Subsequent measurement*

Available-for-sale financial assets 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 that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

2. **Significant accounting policies** (continued)

2.16 Financial assets (continued)

(d) *Subsequent measurement* (continued)

Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve are transferred to profit or loss as gain or loss.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. Subsequent recovery of amounts previously written off is recognised against the same line item in profit or loss.

The impairment allowance account is reduced through profit or loss in a subsequent period when the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

A significant or prolonged decline in the fair value of the investment below its costs are considered as indicators of impairment. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

2. **Significant accounting policies** (continued)

2.16 Financial assets (continued)

(e) *Impairment* (continued)

(ii) *Available-for-sale financial assets* (continued)

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of available-for-sale financial assets carried at cost, if there is objective evidence that an impairment loss on the financial assets has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.18 Financial liabilities

(a) *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 directly attributable transaction costs.

(b) *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

2. Significant accounting policies (continued)

2.18 Financial liabilities (continued)

(c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.19 Derivative financial instruments and hedging activities

A derivative financial instrument, including a separated embedded derivative, is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as a cash flow hedge or a fair value hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

2. **Significant accounting policies** (continued)

2.19 Derivative financial instruments and hedging activities (continued)

(a) *Cash flow hedge*

(i) *Interest rate swaps*

The Group has entered into interest rate swaps that are cash flow hedges for 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 interest rate swaps designated as cash flow hedges are recognised in the hedging reserve and transferred to profit or loss when the 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.

(ii) *Currency forwards*

The Group has entered into currency forwards 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 forwards 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 forwards 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) *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 ("hedged item"). 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.

2. **Significant accounting policies** (continued)

2.20 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 and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows, are also used to determine the fair values of financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps and cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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.

2.21 Leases

(a) *When a group company is the lessee:*

The Group leases certain investment properties from non-related parties and its immediate holding company.

(i) *Finance leases*

Leases of investment properties where the Group assumes substantially all risks and rewards incidental to ownership are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as investment properties and borrowings respectively, at the inception of the leases at the lower of the fair values of the leased assets and the present values of the minimum lease payments.

2. **Significant accounting policies** (continued)

2.21 Leases (continued)

(a) *When a group company is the lessee* (continued):

(ii) *Operating leases*

Leases of investment properties where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination took place.

For both finance and operating leases, contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When a group company is the lessor:*

The Group leases out certain investment properties to non-related parties.

(i) *Finance leases*

Leases of investment properties where substantially all the risks and rewards incidental to legal ownership of the assets are transferred by the Group to the lessees are classified as finance leases.

The leased asset is de-recognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is included in trade and other receivables on the balance sheet. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

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

Initial direct costs incurred by the Group in negotiating and arranging finance lease are included in the initial measurement of the finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2. **Significant accounting policies** (continued)

2.21 Leases (continued)

(b) *When a group company is the lessor* (continued):

(ii) *Operating leases*

Leases of investment properties where the Group retains substantially all the risks and rewards incidental to legal ownership of the assets are classified as operating leases.

Assets leased out under operating leases are included in investment properties. Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

For both finance and operating leases, contingent rents are recognised as income in profit or loss when earned.

2.22 Income taxes

(a) *Current income tax*

Current income 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 balance sheet date, 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 equity. The Group 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.

2. **Significant accounting policies** (continued)

2.22 Income taxes (continued)

(b) *Deferred tax* (continued)

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; and

- in respect of taxable temporary differences associated with investments in subsidiary, associated and joint venture companies, 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 credits and unused tax losses, 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 credits and unused tax losses 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; and

- in respect of deductible temporary differences associated with investments in subsidiary, associated and joint venture companies, 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.

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.

2. **Significant accounting policies** (continued)

2.22 Income taxes (continued)

(b) *Deferred tax* (continued)

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 available-for-sale financial assets are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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 incurred during the measurement period or in profit or loss.

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.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. **Significant accounting policies** (continued)

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the balance sheet date 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.

2.24 Employee compensation

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(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 balance sheet date.

2.25 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 Group's financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency.

2. **Significant accounting policies** (continued)

2.25 Currency translation (continued)

(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 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 balance sheet date 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 equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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 investments classified as available-for-sale financial assets are included in the fair value reserve.

(c) *Translation of Group entities' financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associated or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand, fixed deposits with financial institutions which are subject to an insignificant risk of change in value, but exclude balances which are subjected to restriction.

2. Significant accounting policies (continued)

2.27 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

2.28 Dividends

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.

2.29 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing activities, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary company after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2.30 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants are presented in profit or loss under "other gains/losses – net".

2. Significant accounting policies (continued)

2.31 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3. Critical accounting estimates, assumptions and judgements

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.

(a) *Critical accounting estimates and assumptions*

(i) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(ii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating units exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model.

3. Critical accounting estimates, assumptions and judgements (continued)

(a) *Critical accounting estimates and assumptions* (continued)

(ii) *Impairment of non-financial assets* (continued)

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is more sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 10 to the financial statements.

(iii) *Valuation of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The fair values are determined by independent real estate valuation experts using recognised valuation techniques such as the income method, discounted cash flow method, direct comparison method and residual land value method.

The income and discounted cash flow methods involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison method involves the comparison of recent sales transactions of similar properties. In residual land value method, the value of the properties are derived at by deducting estimated construction cost and other relevant costs from the gross development value of the proposed development assuming satisfactory completion.

Management is of the view that the valuation methods and estimates are reflective of the current market condition. The valuation of properties is described in more details in Note 33.

(b) *Critical judgements in applying the Group's accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) *Consolidation of entities in which the Group holds less than majority of voting rights*

The Group considers that it controls A-HTRUST even though it owns less than 50% of the voting rights. This is because two subsidiary companies of the Group, Ascendas Hospitality Fund Management Pte. Ltd. and Ascendas Hospitality Trust Management Pte. Ltd. act as A-HTRUST's managers with their fees having a performance-based element, and the Group is the single largest unitholder of A-HTRUST with a 27.60% equity interest.

3. **Critical accounting estimates, assumptions and judgements** (continued)

(b) *Critical judgements in applying the Group's accounting policies* (continued)

(i) *Consolidation of entities in which the Group holds less than majority of voting rights* (continued)

The remaining 72.40% of the units in A-HTRUST are widely held by many other unitholders. Since 27 July 2012, which is the Listing Date of A-HTRUST, there is no history of the other unitholders collaborating to exercise their votes collectively or to outvote the Group. Accordingly, the Group has consolidated A-HTRUST since inception.

(ii) *Business combinations*

The Group acquires subsidiary companies that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary company.

When the acquisition of a subsidiary company does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

4. **Revenue**

	The Group	
	2018	2017
	$'000	$'000
Rental income and service charges	**335,621**	338,042
Fund management fee	**135,967**	78,663
Property management and other consultancy services	**34,370**	30,278
Agency fee	**28,983**	29,385
Revenue from utilities supply and district cooling	**20,797**	16,852
Carpark income	**20,056**	19,111
Renovation services	**1,247**	2,789
Project consultancy and management fee	**5,334**	3,697
Sale of completed development properties	**66,757**	-
Hotel income	**170,173**	167,556
Others	**22,185**	16,818
	841,490	703,191

Rental income includes:
(i) $6,405,000 (2017: $6,768,000) relating to amortisation of deferred income; and
(ii) $NIL (2017: $2,635,000) of notional rental revenue capitalised as part of investment property under re-development.

5. Other gains/losses – net

Other gains/losses - net comprise the following:

	Note	The Group 2018 $'000	The Group 2017 $'000
Other gains			
Interest income:			
- associated and joint venture companies		**28**	10
- financial institutions		**9,246**	5,569
- others		**1,848**	917
Dividend income from quoted and unquoted investments		**559**	565
Corporate service income		**7,454**	4,438
Gain/(loss) on disposal of:			
- investment properties		**5,542**	44,769
- property, plant and equipment		**28**	(55)
Net fair value change on investment properties	11	**150,190**	100,378
Gain on dilution of interest in associated companies		**5,363**	13,416
Fair value gain on derivative financial instruments		**1,336**	6,976
Writeback of impairment/(impairment losses) made on:			
- property, plant and equipment	12	**3,100**	(4,157)
- deposits		**6,048**	(7,667)
Writeback of provision/(provision) for foreseeable losses on contracts		**8,844**	(17,687)
Writeback of provision for foreseeable losses on associated company		**-**	15,210
Others		**1,857**	1,357
Other losses			
Allowance for impairment of receivables (made)/written back:			
- amount owing by associated and joint venture companies	32(b)(ii)	**(4,679)**	3,104
- other receivables	32(b)(ii)	**(3)**	(1,299)
Impairment losses of:			
- investment in associated companies		**(303)**	(58)
(Loss)/gain on disposal of:			
- subsidiary companies	29	**(5,701)**	1,178
- associated companies		**(7,022)**	-
Currency exchange loss - net		**(46,368)**	(5,355)
		137,367	161,609

6. Employee compensation

	The Group 2018 $'000	The Group 2017 $'000
Salaries, wages and employee benefits	**195,525**	202,221
Employer's contributions to defined contribution plans including Central Provident Fund ("CPF")	**15,228**	13,741
	210,753	215,962

7. Other operating expenses

Other operating expenses comprise the following:

	The Group 2018 $'000	The Group 2017 $'000
Hotel operating expenses	**26,334**	25,448
Professional fees	**9,757**	17,159
Marketing and other agency fees	**14,732**	15,189
Office rental and maintenance expenses	**10,797**	9,597
Travel-related expenses	**4,942**	4,443
Security service expenses	**5,769**	4,418
Project consultancy, property and lease management expenses	**3,019**	2,252
Operating lease expense	**3,396**	3,262
Others	**60,696**	58,975
	139,442	140,743

8. Finance expense

	Note	The Group 2018 $'000	The Group 2017 $'000
Interest expense			
- financial institutions		**89,938**	75,669
- medium term notes		**20,876**	19,388
- non-controlling interests		**3,342**	5,450
- others		**643**	540
		114,799	101,047
Cash flow hedges, transfer from hedging reserve upon settlement		**8,682**	7,020
Interest expense capitalised in investment properties	11(vi)	**(16,643)**	(6,721)
Finance expense recognised in profit or loss		**106,838**	101,346

9. Income taxes

(a) *Income tax expense*

	The Group 2018 $'000	The Group 2017 $'000
Current income tax expense		
- based on current year's result	**92,780**	83,475
- (over)/under provision in respect of prior years	**(2,468)**	1,119
	90,312	84,594
Deferred tax expense		
- origination and reversal of temporary differences	**28,808**	(1,261)
- under provision in respect of prior years	**2,037**	1,792
	30,845	531
Income tax expense recognised in profit or loss	**121,157**	85,125

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2018 and 2017 is as follows:

	The Group 2018 $'000	The Group 2017 $'000
Profit before tax	**512,834**	436,357
Income tax using the statutory tax rate of 17% (2017: 17%)	**87,182**	74,181
Non-deductible expenses	**41,638**	46,924
Income not subject to tax	**(25,011)**	(47,458)
Effect of different tax rates arising from foreign jurisdictions	**32,845**	12,780
Share of profit of associated and joint venture companies	**(26,466)**	(23,621)
	110,188	62,806
Utilisation of previously unrecognised tax losses and capital allowances	**(4,029)**	(3,739)
Effect of deferred tax assets not recognised	**5,093**	9,840
Effect of tax incentives	**(546)**	(910)
Effect of tax losses not allowed for carry forward	**1,250**	459
(Over)/Under provision in respect of prior years	**(431)**	2,911
Tax on dividend income from associated companies	**9,975**	16,007
Others	**(343)**	(2,249)
Income tax expense recognised in profit or loss	**121,157**	85,125

Non-deductible expenses mainly relate to finance expenses and exchange losses.

Income not subject to tax mainly relates to income from tax exempted entities, exchange gains and writeback on provisions.

9. **Income taxes** (continued)

(b) Deferred tax assets and liabilities

The movement in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) are as follows:-

The Group
Deferred tax liabilities

	Accelerated tax depreciation $'000	Fair value changes $'000	Others $'000	Total $'000
2018				
Beginning of financial year	**21,813**	**100,377**	**149,256**	**271,446**
Arising from acquisition of subsidiary companies	**-**	**6,708**	**119**	**6,827**
Tax (credited)/ charged to profit or loss	**(394)**	**32,470**	**19,529**	**51,605**
Tax credited to equity	**-**	**-**	**(75)**	**(75)**
Currency translation differences	**-**	**(656)**	**921**	**265**
Reclassified to disposal group held for sale (Note 30(b))	**-**	**(1,283)**	**(1,453)**	**(2,736)**
End of financial year	**21,419**	**137,616**	**168,297**	**327,332**
2017				
Beginning of financial year	18,433	106,447	92,627	217,507
Arising from acquisition of subsidiary companies	-	1,513	51,921	53,434
Tax charged/(credited) to profit or loss	3,380	(7,449)	2,796	(1,273)
Tax charged to equity	-	-	353	353
Currency translation differences	-	(134)	1,559	1,425
End of financial year	21,813	100,377	149,256	271,446

Deferred tax assets

	The Group 2018 $'000	The Group 2017 $'000
Beginning of financial year	**(9,285)**	(10,483)
Tax charged to equity	**366**	(402)
Tax credited to profit or loss	**(20,760)**	1,804
Currency translation differences	**299**	(204)
End of financial year	**(29,380)**	(9,285)

Deferred tax assets have not been recognised in respect of the following:

	The Group 2018 $'000	The Group 2017 $'000
Deductible temporary differences	**32**	13
Unabsorbed tax losses	**72,101**	74,531
	72,133	74,544

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiary companies having the deductible temporary differences and unabsorbed tax losses can utilise the benefits.

10. Intangible assets

	The Group			
	Goodwill	Fund management rights	Management contracts	Total
	$'000	$'000	$'000	$'000
2018				
Cost				
Beginning of financial year	211,389	4,270	64,050	279,709
Arising from acquisition of subsidiary companies (Note 28)	4,742	-	-	4,742
Currency translation differences	1,100	(217)	(3,252)	(2,369)
End of financial year	217,231	4,053	60,798	282,082
Accumulated amortisation and impairment				
Beginning of financial year	-	(1,038)	-	(1,038)
Amortisation for the year	-	(210)	-	(210)
Currency translation differences	-	61	-	61
End of financial year	-	(1,187)	-	(1,187)
Net book value				
End of financial year	217,231	2,866	60,798	280,895
2017				
Cost				
Beginning of financial year	159,696	4,137	62,052	225,885
Additions	51,921	-	-	51,921
Currency translation differences	(228)	133	1,998	1,903
End of financial year	211,389	4,270	64,050	279,709
Accumulated amortisation and impairment				
Beginning of financial year	-	(798)	-	(798)
Amortisation for the year	-	(208)	-	(208)
Currency translation differences	-	(32)	-	(32)
End of financial year	-	(1,038)	-	(1,038)
Net book value				
End of financial year	211,389	3,232	64,050	278,671

10. **Intangible assets** (continued)

(a) Goodwill

Impairment tests for goodwill

Goodwill acquired through business combinations pertains to the following cash-generating unit ("CGU") to which the acquired goodwill was allocated:

	The Group	
	2018	2017
	$'000	$'000
Fund management CGU in Singapore	111,781	111,781
Fund investment CGU A in China	47,915	47,915
Fund investment CGU B in China	52,862	51,693
Investment CGU C in India	4,673	-
	217,231	211,389

Fund management CGU in Singapore

The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial forecast covering a 10-year period. The 10-year forecast is reviewed, updated and approved by management on an annual basis. Cash flows beyond the 10-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

	The Group	
	2018	2017
Growth rate(1)	**1%**	1%
Discount rate(2)	**6.55%**	6.44%

(1) Forecasted post-tax EBITDA annual long-term growth rate

(2) Weighted-average cost of capital

The Group has assessed and determined that no impairment in the value of goodwill has arisen.

Sensitivity to changes in assumptions

With regards to the assessment of the value in use, the Group believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

10. **Intangible assets** (continued)

(a) Goodwill (continued)

Impairment tests for goodwill (continued)

Investment CGUs

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculation is a discounted cash flow model using cash flow projections based on the most recent forecasts approved by management covering three to five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table below. The discount rates applied are the weighted average cost of capital from the business segment. The capitalisation rates are based on the nature, location, tenure, tenancy profile of the property together with the prevailing property market conditions.

The key assumptions are those relating to expected changes in average rental rates and occupancy and direct costs. The terminal growth rates used for the CGUs are within management's expectation of the long term average growth rates of the industry and country in which the CGUs operate.

Key assumptions used for value-in-use calculations

	The Group					
	2018			2017		
	CGU A	**CGU B**	**CGU C**	CGU A	CGU B	CGU C
Growth rate	**4%**	**3%**	**3%**	4%	5%	-
Discount rate	**7.5%**	**7.25%**	**11.75%**	8%	7.5%	-
Capitalisation rate	**4.5%**	**4.25%**	**9%**	5.25%	4%	-

The Group has assessed and determined that no impairment in the value of goodwill has arisen.

Sensitivity to changes in assumptions

With regards to the assessment of the value-in-use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

10. **Intangible assets** (continued)

(b) Fund management rights

Fund management rights represent the asset management rights owned by a subsidiary company which entitle it to management fee revenue from Ascendas Australia Hotel Trust and Ascendas Hotel Investment Company Pty Limited. Those rights that are deemed to have finite useful lives, are measured at cost and amortised using the straight-line method over their estimated useful lives of 20 years.

(c) Management contracts

Management contracts relate to fair values of the management contracts entered into between a subsidiary company and Ascendas Real Estate Investment Trust ("Ascendas REIT"). These contracts are deemed to have indefinite useful lives and are measured at cost.

The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial forecasts covering a 10-year period. The 10-year forecast is reviewed, updated and approved by management on an annual basis. Cash flows beyond the 10-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

	The Group	
	2018	2017
Growth rate [(1)]	**1%**	1%
Discount rate [(2)]	**6.78%**	5.98%

[(1)] Forecasted post-tax EBITDA annual long-term growth rate

[(2)] Weighted-average cost of capital

The Group has assessed and determined that no impairment in the value of management contract has arisen.

Sensitivity to changes in assumptions

With regards to the assessment of the value-in-use, the Group believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed the recoverable amount.

11. Investment properties

	Note	The Group 2018 $'000	2017 $'000
Balance sheet:			
Beginning of financial year		**5,638,346**	4,949,391
Additions		**589,352**	151,929
Disposals/write-offs		**(357,704)**	(374,268)
Transfer (to)/from property, plant and equipment	12	**(119)**	230
Fair value change		**164,451**	132,453
Arising from acquisition of subsidiary companies	28	**66,769**	391,157
Arising from disposal of subsidiary companies	29	**(36,780)**	(6,142)
Reclassified to asset held for sale	30(a)	**(106,000)**	-
Reclassified from disposal group held for sale		**-**	344,383
Currency translation differences		**(28,793)**	49,213
End of financial year		**5,929,522**	5,638,346
Income statement:			
Rental income from investment properties		**331,566**	334,136
Direct operating expenses (including repairs and maintenance) arising from:			
Rental generating properties		**(147,215)**	(123,261)
Non-rental generating expenses		**(140)**	(749)

The fair value change on investment properties recognised in consolidated statement of comprehensive income has been adjusted for the following:

	Note	The Group 2018 $'000	2017 $'000
Fair value change in investment properties		**164,451**	132,453
Other movements		**(14,261)**	(32,075)
Net fair value change of investment properties recognised in consolidated statement of comprehensive income	5	**150,190**	100,378

Included in other movements are marketing fees capitalised and effects of recognising accounting income on a straight-line basis over the lease term.

11. **Investment properties** (continued)

(i) The Group has no restrictions on the realisability of its investment properties, save as described in Note 13(a).

(ii) Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 March 2018 and 2017. The valuations were performed by accredited external independent valuers with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 33.

(iii) Included in additions are investment properties acquired under credit terms amounting to $14,070,000 (2017: $2,834,000).

(iv) Investment properties are leased to non-related parties under operating leases (Note 34).

(v) Investment properties amounting to approximately $3,818,367,000 (2017: $3,498,685,000) were pledged as security against bank loans (Note 23).

(vi) During the financial year, borrowing costs of $16,643,000 (2017: $6,721,000), arising from borrowings obtained specifically for certain investment properties were capitalised. The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 1.61% to 10.15% (2017: 1.45% to 11.28%) per annum (across the different countries that the Group operates in), which is the effective interest rate of the specific borrowings.

12. Property, plant and equipment

The Group	Note	Freehold land $'000	Leasehold land $'000	Buildings $'000	Renovations and improvements $'000	Computers, furniture and equipment $'000	Motor vehicles $'000	Capital work-in-progress $'000	Total $'000
2018									
Cost									
Beginning of financial year		124,234	37,537	429,461	10,137	135,750	582	10,185	747,886
Additions		-	-	1,038	3,509	5,620	97	10,865	21,129
Disposals/write-offs		-	-	-	-	(941)	(221)	(58)	(1,220)
Arising from acquisition of subsidiary companies	28	-	-	-	-	14	-	-	14
Transfers /reclassifications		-	-	-	740	1,309	-	(1,930)	119
Currency translation differences		(6,308)	962	(18,518)	(3)	(7,512)	-	(601)	(31,980)
Reclassified to disposal group held for sale		-	(38,499)	(46,375)	-	(27,209)	(52)	-	(112,135)
End of financial year		117,926	-	365,606	14,383	107,031	406	18,461	623,813
Accumulated depreciation and impairment									
Beginning of financial year		-	(4,872)	(62,862)	(3,307)	(52,900)	(495)	(4,157)	(128,593)
Depreciation charge		-	(997)	(13,852)	(2,407)	(14,614)	(64)	-	(31,934)
Disposals/write-offs		-	-	-	-	880	210	-	1,090
Writeback of impairment loss	5	-	-	-	-	-	-	3,100	3,100
Currency translation differences		-	(241)	3,138	5	4,219	2	-	7,123
Reclassified to disposal group held for sale		-	6,110	7,830	-	19,912	52	-	33,904
End of financial year		-	-	(65,746)	(5,709)	(42,503)	(295)	(1,057)	(115,310)
Net book value									
End of financial year		**117,926**	**-**	**299,860**	**8,674**	**64,528**	**111**	**17,404**	**508,503**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

12. Property, plant and equipment (continued)

The Group	Note	Freehold land $'000	Leasehold land $'000	Buildings $'000	Renovations and improvements $'000	Computers, furniture and equipment $'000	Motor vehicles $'000	Capital work-in-progress $'000	Total $'000
2017									
Cost									
Beginning of financial year		120,359	38,875	415,838	11,239	133,480	658	9,257	729,706
Additions		-	-	3,225	52	8,610	25	2,135	14,047
Disposals/write-offs		-	-	(124)	(1,093)	(10,930)	(97)	(526)	(12,770)
Arising from acquisition of subsidiary companies	28	-	-	-	-	22	-	-	22
Arising from disposal of subsidiary companies		-	-	-	(56)	(2)	-	-	(58)
Transfers /reclassifications		-	-	-	-	812	-	(1,042)	(230)
Currency translation differences		3,875	(1,338)	10,522	(5)	3,758	(4)	361	17,169
End of financial year		124,234	37,537	429,461	10,137	135,750	582	10,185	747,886
Accumulated depreciation and impairment									
Beginning of financial year		-	(3,953)	(47,498)	(1,530)	(46,451)	(468)	-	(99,900)
Depreciation charge		-	(1,206)	(13,984)	(2,016)	(14,918)	(92)	-	(32,216)
Disposals/write-offs		-	-	110	189	10,845	64	-	11,208
Impairment loss	5	-	-	-	-	-	-	(4,157)	(4,157)
Arising from disposal of subsidiary companies		-	-	-	56	-	-	-	56
Currency translation differences		-	287	(1,490)	(6)	(2,376)	1	-	(3,584)
End of financial year		-	(4,872)	(62,862)	(3,307)	(52,900)	(495)	(4,157)	(128,593)
Net book value									
End of financial year		**124,234**	**32,665**	**366,599**	**6,830**	**82,850**	**87**	**6,028**	**619,293**

12. Property, plant and equipment (continued)

(i) Included in additions of the Group are property, plant and equipment acquired on credit terms amounting to $2,780,000 (2017: $1,575,000). The cash outflow on acquisition of property, plant and equipment amounted to $19,924,000 (2017: $18,783,000).

(ii) In 2017, a subsidiary of the Group, Ascendas Services Pte Ltd ("ASPL") reviewed and assessed that the software development costs intended for the streamlining of various real estate business processes carried no future benefit. An impairment loss of $4,157,000, representing the full amount of cost incurred was recognized in "Other gains/losses – net" (Note 5) line item of profit or loss for the financial year ended 31 March 2017.

In 2018, due to the recovery amounting to $3,100,000 from the vendor, a writeback of impairment loss was recognised.

(iii) Property, plant and equipment with a carrying amount of $487,586,000 (2017: $549,538,000) are mortgaged as security for the bank facilities obtained from financial institutions (Note 23).

13. Investments in subsidiary companies

		The Company	
	Note	**2018**	2017
		$'000	$'000
Cost			
At beginning and end of financial year	38	**801,820**	801,820

Details of subsidiary companies are included in Note 38.

13. Investments in subsidiary companies (continued)

(a) Interest in subsidiary companies with material non-controlling interest ("NCI")

The following table summarises the financial information of the Group's subsidiary companies with material NCI, based on their respective consolidated financial statements prepared in accordance with FRS. The information is before inter-company eliminations with other companies in the Group.

Name of Subsidiary company	**Principal place of business**	**Proportion ownership interest held by non-controlling interest**	**Profit/(Loss) allocated to NCI during the reporting period** $'000	**Accumulated NCI at the end of reporting period** $'000	**Dividend paid to NCI** $'000
2018					
Ascendas Hospitality Trust ("A-HTRUST")	Asia , Australia and New Zealand	72.40%	17,068	631,444	46,951
2017					
Ascendas Hospitality Trust ("A-HTRUST")	Asia , Australia and New Zealand	72.74%	35,779	645,362	44,334

A-HTRUST is regulated by the Monetary Authority of Singapore and is supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subject to review by the REITs' trustees or significant transaction must be approved by a majority of votes by the remaining holders of units in the REITs at a meeting of unitholders.

13. Investments in subsidiary companies (continued)

(b) Summarised financial information about subsidiary companies with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary companies with material NCI are as follows:

Summarised balance sheets

	A-HTRUST	
	2018	2017
	$'000	$'000
- Current assets	**193,768**	105,712
- Current liabilities	**(224,652)**	(109,791)
Net current liabilities	**(30,884)**	(4,079)
- Non-current assets	**1,347,950**	1,445,359
- Non-current liabilities	**(448,445)**	(559,354)
Net non-current assets	**899,505**	886,005
Net assets	**868,621**	881,926

Summarised statement of comprehensive income

- Revenue	**224,573**	224,156
- Profit before tax	**35,692**	58,379
- Income tax expense	**(12,142)**	(9,265)
- Profit after tax	**23,550**	49,114
- Other comprehensive income	**23,529**	25,757
Total comprehensive income	**47,079**	74,871

Other summarised information

Net cash flows generated from operations	**72,427**	50,896

14. Investments in associated and joint venture companies

	Note	The Group 2018 $'000	2017 $'000
Investments in associated companies			
Quoted equity investments, at cost		**1,160,736**	1,145,336
Unquoted equity investments, at cost		**244,112**	353,296
	39	**1,404,848**	1,498,632
Add/(less):			
Impairment		**(361)**	(58)
Share of post-acquisition reserves		**(119,645)**	(109,705)
Share of post-acquisition results		**235,717**	222,880
Dilution of interest in associated companies		**109,596**	104,233
Currency translation differences		**(2,552)**	(527)
		1,627,603	1,715,455
Investments in joint venture companies			
Unquoted equity investments, at cost	39	152,035	138,960
Add/(less):			
Goodwill on acquisition		**15,904**	16,159
Share of post-acquisition reserves		**3,026**	(28)
Share of post-acquisition results		**29,928**	14,420
Currency translation differences		**(54)**	116
		200,839	169,627
Total investments in associated and joint venture companies		**1,828,442**	1,885,082
Fair value of investment in associated companies for which there are published price quotations		**1,767,755**	1,705,698

(a) The Group has identified Ascendas Real Estate Investment Trust ("Ascendas Reit") as an individually significant investment in associated company:

	2018 $'000	2017 $'000
Ascendas Reit	**1,270,334**	1,229,700
Other associated companies	**357,269**	485,755
Total investments in associated companies	**1,627,603**	1,715,455

14. **Investments in associated and joint venture companies** (continued)

The summarised financial information in respect of Ascendas Reit, based on its SFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	Ascendas Reit	
	2018	2017
	$'000	$'000
Current assets	**76,857**	99,757
Non-current assets	**10,276,936**	10,071,061
Total assets	**10,353,793**	10,170,818
Current liabilities	**1,103,501**	1,122,002
Non-current liabilities	**2,751,596**	2,713,696
Total liabilities	3,855,097	3,835,698
Net assets	**6,498,696**	6,335,120
Proportion of the Group's ownership	**19.98%**	19.88%
Group's share of net assets	**1,298,439**	1,259,422
Goodwill on acquisition	**1,313**	1,313
Other adjustments	(29,418)	(31,035)
Carrying amount of the investment	1,270,334	1,229,700

Summarised statements of comprehensive income

Revenue	**862,111**	830,592
Profit after tax	494,094	427,487
Other comprehensive income	**(31,822)**	13,946
Total comprehensive income	462,272	441,433

Dividend of $58,678,000 (2017: $94,158,000) was received from Ascendas Reit.

Details of the associated companies are included in Note 39.

(b) The Group has identified DLSP Ascendas Co., Ltd and GKC Ascendas Business Park Development Co. Ltd as individually significant investments in joint venture companies:

	2018	2017
	$'000	$'000
DLSP Ascendas Co., Ltd	**49,511**	44,161
GKC Ascendas Business Park Development Co. Ltd	75,999	68,076
Other joint venture companies	**75,329**	57,390
Total investments in joint venture companies	200,839	169,627

14. Investments in associated and joint venture companies (continued)

Summarised financial information in respect of DLSP Ascendas Co., Ltd ("DLSP") and GKC Ascendas Business Park Development Co. Ltd ("GKC") based on their SFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	DLSP		GKC	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current assets	**19,383**	47,135	**146,543**	172,627
Non-current assets	**231,563**	207,756	**156,311**	131,136
Total assets	**250,946**	254,891	**302,854**	303,763
Current liabilities	**50,340**	59,899	**62,018**	82,514
Non-current liabilities	**101,584**	106,671	**110,111**	105,761
Total liabilities	**151,924**	166,570	**172,129**	188,275
Net assets	**99,022**	88,321	**130,725**	115,488
Proportion of the Group's ownership	50%	50%	52%	52%
Group's share of net assets	**49,511**	44,161	**67,977**	60,054
Other adjustments	**-**	-	**8,022**	8,022
Carrying amount of the investment	**49,511**	44,161	**75,999**	68,076
Other information:				
Cash and cash equivalents	**15,498**	33,814	**84,536**	76,963
Non-current financial liabilities (excluding trade and other payables and provisions)	**(95,307)**	(105,208)	**(109,896)**	(100,961)

Summarised statements of comprehensive income

	DLSP		GKC	
	2018	2017	**2018**	2017
Revenue	**27,560**	36,428	**106,656**	50,792
Profit after tax	**8,611**	33,972	12,586	8,267
Other comprehensive income	**2,090**	(1,996)	**2,652**	(3,735)
Other information:				
Interest income	196	106	293	153
Depreciation and amortisation expenses	**(134)**	(154)	**(43)**	(28)
Interest expense	**(5,674)**	(7,256)	**(3,472)**	(1,500)
Income tax expense	**(323)**	4,436	**(3,691)**	1,249

	The Group	
	2018	2017
	$'000	$'000
Capital commitments in relation to interest in joint venture	**95,387**	109,617
Proportionate interest in joint venture's capital commitments	**234,822**	319,825

Details regarding the joint venture companies are included in Note 39.

15. Trade and other receivables

	Note	The Group 2018 $'000	The Group 2017 $'000	The Company 2018 $'000	The Company 2017 $'000
Trade and other receivables - current					
Trade receivables					
- non-related parties		**18,069**	16,345	**-**	-
- associated companies		**17,198**	22,231	**-**	-
- joint venture companies		**1,710**	2,556	**-**	-
- investee companies		**52**	46	**-**	-
		37,029	41,178	**-**	-
Less: Allowance for impairment of trade receivables					
- non-related parties	32(b)(ii)	**(274)**	(101)	**-**	-
Trade receivables – net		**36,755**	41,077	**-**	-
Other receivables					
- holding company		**3**	4	**-**	3
- non-related parties		**50,405**	61,392	**18**	55
subsidiary companies		**-**		**2,487,123**	2,415,010
- joint venture companies		**2,466**	2,322	**-**	-
- associated companies		**8,832**	30,903	**-**	1
- other related parties		**6,789**	2,370	**-**	-
		68,495	96,991	**2,487,141**	2,415,069
Loan to subsidiary company		**-**	-	**11,165**	-
Loan to associated company		**1,212**	-	**-**	-
Loan to joint venture company		**72,216**	54,491	**-**	-
Advances to joint venture company		**720**	2,100	**-**	-
Less: Allowance for impairment of other receivables					
- non-related parties	32(b)(ii)	**(2,743)**	(2,999)	**-**	-
- joint venture companies	32(b)(ii)	**(4,890)**	(370)	**-**	-
		(7,633)	(3,369)	**-**	-
		171,765	191,290	**2,498,306**	2,415,069
Trade and other receivables – non- current					
Trade receivables - non-related parties		**795**	1,085	**-**	-
		795	1,085	**-**	-
Add:					
Cash and bank balances	16	**737,212**	786,563	**191,061**	234,914
Refundable deposits		**4,203**	5,435	**5**	8
Total loans and receivables		**913,975**	984,373	**2,689,372**	2,649,991

15. **Trade and other receivables** (continued)

(a) Trade and other receivables - current

Trade and other receivables from holding company, subsidiary companies, associated and joint venture companies, investee companies and other related companies are unsecured, interest-free and repayable on demand.

Other receivables from non-related parties comprise mainly recoverables. Loan to joint venture company is non-trade related, unsecured, interest-free and repayable on demand.

(b) Trade and other receivables – non-current

The fair values of the non-current trade and other receivables approximate their carrying amounts as the discount rates did not fluctuate significantly from the date of inception.

16. **Cash and bank balances**

	The Group		The Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**422,835**	451,898	**136,017**	82,614
Fixed deposits	**314,377**	334,665	**55,044**	152,300
Cash and bank balances	**737,212**	786,563	**191,061**	234,914
Less: Non-current fixed deposits pledged	**(177)**	(44)		
Less: Current fixed deposits pledged	**(2,089)**	(9,000)		
Less: Non-current restricted cash and fixed deposits	**(8,819)**	(7,170)		
Less: Current restricted fixed deposits	**(7,056)**	(33,119)		
	719,071	737,230		
Cash held in disposal group held for sale	**25,870**	-		
Cash and cash equivalents in the consolidated cash flow statement	**744,941**	737,230		
Non-current portion	**8,996**	7,215	**-**	-
Current portion	**728,216**	779,348	**191,061**	234,914
	737,212	786,563	**191,061**	234,914

Non-current fixed deposits of the Group comprise deposits of $177,000 (2017: $44,000) pledged for bankers guarantees issued.

Current fixed deposits of the Group comprise:
(i) $2,089,000 (2017: $NIL) pledged for bankers guarantee issued; and
(ii) $NIL (2017: $9,000,000) pledged to financial institutions for banking facilities.

16. Cash and bank balances (continued)

Non-current restricted cash and fixed deposits of the Group comprise:

(i) $5,383,000 (2017: $4,898,000) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects;
(ii) $2,700,000 (2017: $1,605,000) were restricted for loan interest repayments; and
(iii) $736,000 (2017: $667,000) relating to security deposits from tenants which can only be drawn down as rental payment upon tenants' default or refunded to tenants upon lease expiry.

Current restricted fixed deposits of the Group comprise $7,056,000 (2017: $33,119,000) relating to security deposits from tenants which can only be drawn down as rental payment upon tenants' default or refunded to tenants upon lease expiry.

17. Available-for-sale financial assets

	The Group	
	2018	2017
	$'000	$'000
Beginning of financial year	**11,376**	10,687
Additions	**3,206**	-
Fair value (losses)/gains recognised in equity	**(25)**	712
Currency translation differences	**19**	(23)
End of financial year	**14,576**	11,376

Available-for-sale financial assets are carried either at cost or fair value (Note 33).

18. Properties under development and held for sale

	The Group	
	2018	2017
	$'000	$'000
(a) Properties under development		
Development costs	**-**	15,747
(b) Properties held for sale		
Completed development properties, at cost	**28,977**	52,248

19. Derivative financial instruments

	The Group			
	Year of maturity	Contract/ notional amount $'000	Fair values Assets $'000	Fair values Liabilities $'000
2018				
Cash flow hedges				
Interest rate swaps	2018-2023	1,268,958	3,753	(3,149)
Fair value hedges				
Forward contracts	2018-2019	192,135	1,622	(837)
Cross currency swaps	2018-2022	484,719	7,792	(13,278)
			13,167	(17,264)
Less: Current portion			(3,059)	2,604
Non-current portion			10,108	(14,660)
2017				
Cash flow hedges				
Interest rate swaps	2017-2023	1,330,790	4,594	(7,557)
Fair value hedges				
Forward contracts	2017-2018	62,018	488	(2,043)
Cross currency swaps	2020-2022	367,182	11,228	(2,888)
			16,310	(12,488)
Less: Current portion			(419)	2,369
Non-current portion			15,891	(10,119)

	The Company			
	Year of maturity	Contract/ notional amount $'000	Fair values Assets $'000	Fair values Liabilities $'000
2018				
Cash flow hedges				
Interest rate swaps	2018-2020	170,000	43	(984)
Less: Current portion			(43)	-
Non-current portion			-	(984)
2017				
Cash flow hedges				
Interest rate swaps	2017-2020	270,000	59	(2,005)
Less: Current portion			(28)	99
Non-current portion			31	(1,906)

The fixed interest rates on interest rate swaps vary from 1.16% to 6.77% (2017: 0.94% to 6.77%) per annum and the floating interest rates are based on 3-month Swap Offer Rate.

20. Trade and other payables

	Note	The Group 2018 $'000	The Group 2017 $'000	The Company 2018 $'000	The Company 2017 $'000
Trade payables					
- non-related parties		**10,888**	9,611	-	-
- associated companies		**1**	7	-	-
- joint venture companies		**284**	182	-	-
		11,173	9,800	-	-
Other payables					
- non-related parties		**161,550**	164,914	**2,999**	3,000
- immediate holding company		**490,000**	133,001	**490,000**	133,000
- subsidiary companies		-	-	**961,088**	916,731
- associated companies		**446**	380	-	-
- joint venture companies		**54,083**	164	-	-
- other related companies		**152,510**	2	**151,586**	
		858,589	298,461	**1,605,673**	1,052,731
Accrued operating expenses		**95,164**	106,419	**81**	75
Rental and other deposits		**61,709**	57,908	-	-
Deferred income		**3,242**	2,961	-	-
Loans from non-controlling interests		-	149,640	-	-
Total trade and other payables		1,029,877	625,189	**1,605,754**	1,052,806
Add/(less):					
Deferred income		**(3,242)**	(2,961)	-	-
Borrowings	23	**3,527,522**	3,404,859	**812,905**	992,242
Other payables – non-current	21	**99,707**	132,731	-	-
Loans from non-controlling interests – non-current	22	**4,800**	4,800	-	-
Total financial liabilities carried at amortised cost		**4,658,664**	4,164,618	**2,418,659**	2,045,048

Trade and other payables to subsidiary companies, associated and joint venture companies and other related companies are unsecured, interest-free and repayable on demand.

Other payables to non-related parties represent mainly advances received, interest payable, retention sum payable and employee benefits.

21. Other payables – non-current

	The Group		The Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Rental and other deposits	**62,173**	92,988	-	-
Other payables				
- non-related parties	**37,534**	39,743	-	-
	99,707	132,731	-	-

The carrying value of the non-current other payables approximate their fair value as the effect of discounting is not significant.

Included in the other payables to non-related parties are accruals relating to employee compensation scheme that is deferred and payable over a period of time. The accruals amounted to $6,215,000 (2017: $7,715,000).

22. Loan from non-controlling interest

The loan from a non-controlling interest amounting to $4,800,000 (2017: $4,800,000) is unsecured and interest-free. Although there are no fixed terms of repayment, the management of the parties involved do not intend for the loan balance to be repaid within the next twelve months. Accordingly, the fair value of the loan is not determinable as there is no fixed term of repayment.

23. Borrowings

	The Group		The Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Unsecured bank loans	**37,781**	264,076	**33,981**	99,900
Secured bank loans	**378,146**	182,172	-	-
	415,927	446,248	**33,981**	99,900
Non-current				
Unsecured medium term notes	**649,130**	648,920	**504,287**	504,126
Unsecured bank loans	**422,510**	486,429	**274,637**	388,216
Secured bank loans	**2,039,955**	1,823,262	-	-
	3,111,595	2,958,611	**778,924**	892,342
Total	**3,527,522**	3,404,859	**812,905**	992,242

23. **Borrowings** (continued)

Terms and debt repayment schedule

The Group	Nominal Interest rate %	Year of Maturity	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000	Total carrying value $'000
2018						
Unsecured medium term notes	2.68% - 3.50%	2020 - 2026	-	574,321	74,809	649,130
Unsecured bank loans	0.71% - 2.44%	2018 - 2023	37,781	422,510	-	460,291
Secured bank loans	1.32% - 9.85%	2018 - 2036	378,146	1,825,059	214,896	2,418,101
Total			415,927	2,821,890	289,705	3,527,522
2017						
Unsecured medium term notes	2.68% - 3.50%	2020 - 2026	-	304,627	344,293	648,920
Unsecured bank loans	1.10% - 2.87%	2017 - 2023	264,076	485,168	1,261	750,505
Secured bank loans	1.45% - 11.28%	2018 - 2036	182,172	1,502,125	321,137	2,005,434
Total			446,248	2,291,920	666,691	3,404,859

The Group's borrowings are denominated in the following currencies:

	Total carrying value 2018 $'000	Total carrying value 2017 $'000
SGD	**2,007,062**	2,157,725
USD	**47,175**	50,382
RMB	**380,910**	372,106
INR	**103,031**	67,153
KRW	**318,463**	244,171
AUD	**570,183**	447,729
JPY	**100,698**	65,593
	3,527,522	3,404,859

(a) $2,383,787,000 (2017: $1,955,836,000) of loans is secured by investment properties and property, plant and equipment amounting to $3,818,367,000 (2017: $3,498,685,000) and $487,586,000 (2017: $549,538,000) respectively.

(b) $34,314,000 (2017: $49,598,000) of loan is secured by a standby letter of credit granted by a subsidiary company to the financial institution.

23. Borrowings (continued)

Terms and debt repayment schedule

The Company	Nominal Interest rate	Year of Maturity	Within 1 year	After 1 year but within 5 years	After 5 years	Total carrying value
	%		$'000	$'000	$'000	$'000
2018						
Unsecured medium term notes	2.68% - 3.50%	2021 - 2026	-	429,478	74,809	504,287
Unsecured bank loans	2.09% - 2.44%	2018 - 2021	33,981	274,637	-	308,618
Total			33,981	704,115	74,809	812,905
2017						
Unsecured medium term notes	2.68% - 3.50%	2021 - 2026	-	229,704	274,422	504,126
Unsecured bank loans	1.47% - 1.84%	2017 - 2021	99,900	388,216	-	488,116
			99,900	617,920	274,422	992,242

The carrying amounts of the borrowings at variable rate are reasonable approximation of their fair values as they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	2017	**Cash flows**	**Acquisition**	**Currency translation differences**	**Other**	**2018**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
The Group						
Loans from non-controlling interest (Note 20)	154,440	(144,840)	-	(4,800)	-	4,800
Borrowings – medium term notes and bank loans						
- current	446,248	(592,080)	6,756	(4,876)	559,879	415,927
- non-current	2,958,611	711,826	25,019	(23,982)	(559,879)	3,111,595
	3,404,859	119,746	31,775	(28,858)	-	3,527,522

The 'other' column relates to reclassification of borrowings from non-current to current.

24. Share capital

The Company's share capital comprises fully paid-up 585,622,000 (2017: 585,622,000) ordinary shares with no par value, amounting to a total of $585,622,000 (2017: $585,622,000).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

25. Fair value and other reserves

		The Group		The Company	
	Note	**2018**	2017	**2018**	2017
		$'000	$'000	**$'000**	$'000
Foreign currency translation reserve	(a)	**(161,892)**	(147,962)	**-**	-
Fair value reserve	(b)	**1,983**	2,002	**-**	-
Hedging reserve	(c)	**(2,020)**	(1,012)	**(941)**	(1,946)
Other reserves	(d)	**24,658**	23,164	**-**	-
		(137,271)	(123,808)	**(941)**	(1,946)

(a) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) *Fair value reserve*

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

(c) *Hedging reserve*

	The Company	
	2018	2017
	$'000	$'000
Beginning of financial year	**(1,946)**	(1,238)
Fair value losses on cash flow hedges	**(978)**	(3,045)
Reclassification to profit or loss - finance expense upon settlement	**1,983**	2,337
End of financial year	**(941)**	(1,946)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instrument related to hedged transactions that have not yet occurred.

25. **Fair value and other reserves** (continued)

(d) *Other reserves*

Other reserves relate to capital injection in a subsidiary company resulting in dilution of shareholding without a loss of control and amounts transferred from revenue reserve in compliance with local laws by overseas subsidiary companies. The latter are non-distributable.

26. Revenue reserve

Movement in revenue reserve for the Group is disclosed in the consolidated statement of changes in equity. Movement in revenue reserve for the Company is set out below:

		The Company	
	Note	2018	2017
		$'000	$'000
Beginning of financial year		**821,157**	648,164
Profit for the financial year		**165,692**	302,993
Dividends	27	**(500,000)**	(130,000)
End of financial year		486,849	821,157

27. Dividends

	The Company	
	2018	2017
	$'000	$'000
Ordinary dividends paid/payable		
Final tax-exempt dividend in respect of the previous financial year of 85.4 cents (2017: 22.2 cents) per share	**500,000**	130,000

28. Acquisition of subsidiary companies

Acquisition of Vinplex India Private Limited ("VINPL")

On 30 January 2018, the Group, through its subsidiary company, Periyapalayam Logistics Park Private Limited ("PLPPL"), acquired all issued shares in VINPL (which holds tenanted warehouse buildings and vacant land) for a consideration of $33,450,000.

The acquisition of VINPL was accounted for as a business combination. A provisional goodwill of $4,742,000 arose from the recognition of deferred tax liability on the fair value uplift experienced on VINPL's assets.

28. Acquisition of subsidiary companies (continued)

Acquisition of Vinplex India Private Limited ("VINPL") (continued)

From the acquisition date, VINPL has contributed $931,000 of revenue and $227,000 to the Group's profit for the year, net of tax. If the business combination had taken place at the beginning of the year, the revenue contribution would have been $5,916,000 and the contribution to the Group's profit for the year, net of tax would have been $1,264,000.

Acquisition of Ascendas Science & Technology Park Development (SIP) Co., Ltd ("ASTP")

On 1 July 2016, the Group through its subsidiary company, Ascendas Suzhou Science & Technology Park Pte Ltd acquired 59.83% of the shareholding interest of ASTP from Ascendas China Business Park Fund 2 ("ACBPF2") for a total consideration of $40,678,000. Prior to the purchase, the Group owned an associate stake of 40.17% in ASTP. With the purchase of the remaining 59.83% stake, ASTP ceased to be an associate and is now a 100% subsidiary company of the Group.

From the acquisition date, ASTP has contributed $4,518,000 of revenue and $1,645,000 of the Group's profit for 2017, net of tax. If the business combination had taken place at the beginning of 2017, the revenue contribution would have been $5,249,000 and the contribution to the Group's profit for 2017, net of tax would have been $260,000.

Acquisition of Kobest Investment Limited and Shanghai Bao Gang Real Estate Co., Ltd ("Kobest Group")

On 7 February 2017, the Group, through its wholly-owned subsidiary company, ACCF3 Holding Pte Ltd (formerly known as ACCBP Holding Pte. Ltd.), constituted Ascendas China Commercial Fund 3 ("ACCF3") (formerly known as Ascendas China Commercial Business Park Fund 5). ACCF3 subsequently acquired all issued shares in Kobest Group (which holds Baolong Tower) from Barcode Holding Limited ("BHL") for a consideration of $217,089,000 on 14 February 2017.

The acquisition of Kobest Group was acquired at fair value and accounted for as a business combination. The fair value uplift experienced on the Kobest Group's assets resulted in a recognition of deferred tax liability of $52,089,000 and a corresponding goodwill in the Group's balance sheet.

From the acquisition date, Kobest Group has contributed $366,000 of revenue and a loss of $463,000 to the Group's profit for 2017, net of tax. If the business combination had taken place at the beginning of 2017, the revenue contribution would have been $12,145,000 and the contribution to the Group's profit for 2017, net of tax would have been a loss of $15,363,000.

28. Acquisition of subsidiary companies (continued)

Fair value of assets and liabilities and cash flows of subsidiaries acquired

The fair value of the identifiable assets and liabilities of the acquired subsidiary companies as at the acquisition date, and the cash flow effects are:

	Note	The Group 2018 $'000	2017 $'000
Investment properties	11	**66,769**	391,157
Property, plant and equipment	12	**14**	22
Other non-current assets		**56**	-
Cash and cash equivalents		**1,737**	11,460
Other current assets		**1,073**	52,806
Current liabilities		**(9,095)**	(18,256)
Non-current liabilities		**(31,846)**	(202,917)
Identifiable net assets acquired		**28,708**	234,272
Goodwill		**4,742**	51,921
Retained interest in former investment		**-**	(28,426)
Total consideration		**33,450**	257,767
Cash consideration paid		**(33,450)**	(257,767)
Less: cash of subsidiary company acquired		**1,737**	11,460
Net cash outflow		**(31,713)**	(246,307)

29. Disposal of subsidiary companies

During the current financial year, the Group disposed/liquidated the following subsidiary companies for a total consideration of $28,508,000:

Name of subsidiary company	Date disposed	Effective interest disposed
Ascendas Holdings Manila Pte Ltd	June 2017	64%
Ascendas China Commercial Trustee Pte Ltd	July 2017	100%
AIGP1 Pune B Pte Ltd	August 2017	70%
AIGP Developers (Pune) Private Limited	August 2017	70%
AIGP 1 Pune A Pte Ltd	October 2017	70%
Ascendas China Commercial Fund Management Pte Ltd	November 2017	100%
A-KOF2 Private Equity Real Estate Investment Trust	February 2018	57%

29. Disposal of subsidiary companies (continued)

During the previous financial year, the Group disposed/liquidated the following subsidiary companies for a total consideration of $11,348,000:

Name of subsidiary company	Date Disposed	Effective Interest Disposed
Ascendas China Trustee Pte Ltd	July 2016	100%
RIA Venture Capital Pte Ltd	August 2016	67%
Ascendas Development (Tianjin) Co., Ltd	August 2016	100%
Business Facilities Development Corporation	August 2016	60%
Ascendas Business Park Corporation	August 2016	60%
Arcasia Properties, Inc	September 2016	100%
Ascendas Services Philippines Corporation	February 2017	100%
Ascendas (ACCF) Holdings Pte. Ltd.	March 2017	72%

The aggregate effects of disposal of subsidiary companies on cash flows of the Group were as follows:

	Note	The Group 2018 $'000	2017 $'000
Investment properties	11	**(36,780)**	(6,142)
Property, plant and equipment		**-**	(2)
Current assets		**(3,299)**	(50,969)
Current liabilities		**12,055**	790
Net assets disposed		**(28,024)**	(56,323)
Decrease in investment in associated and joint venture companies		**(266)**	-
Transfer from non-controlling interest		**(2)**	44,605
Transfer from foreign currency translation reserve		**(5,917)**	1,354
Transfer from other reserves	25(d)	**-**	194
Sales consideration		**28,508**	11,348
(Loss)/gain on disposal of subsidiary companies	5	**(5,701)**	1,178
Sales consideration		**28,508**	11,348
Less: Cash of subsidiary companies disposed		**(3,201)**	(50,882)
Net cash inflow/(outflow)		**25,307**	(39,534)

30. Asset/ Disposal group held for sale

(a) Asset held for sale

On 29 March 2018, the Group, through its wholly-owned subsidiary, Ascendas (Admiralty) Pte Ltd, entered into an agreement relating to the sale of an investment property, Admirax, for a cash consideration of $106,000,000. The purchaser placed a deposit of $10,600,000 and the transaction was completed on 18 May 2018.

30. Asset/ Disposal group held for sale (continued)

(b) Disposal group held for sale

On 29 January 2018, A-HTRUST entered into a conditional share purchase agreement with China Hospitality Bidco, Ltd. and China Hospitality Bidco 2, Ltd. to divest its entire stake in two wholly-owned subsidiaries, Ascendas China Hotel Investment Limited ("ACHIL") and Ascendas Hospitality China Pte Ltd ("AHCPL" and together with ACHIL, the "China Hospitality Group"), for a consideration of $235,900,000. ACHIL holds 100% interest in Ascendas (Beijing) Hotel Co., Ltd, which in turn holds Novotel Beijing Sanyuan. AHCPL holds 100% interest in Ascendas 2 (Beijing) Hotel Co., Ltd, which in turn holds Ibis Beijing Sanyuan. The China Group is in the business of hotel operations. The divestment is consistent with the Group's asset management strategy in optimising returns. The transaction has been completed on 18 May 2018.

Accordingly, as at 31 March 2018, the assets and liabilities related to the China Hospitality Group have been presented in the balance sheet as "Assets of disposal group held for sale" and "Liabilities directly associated with disposal group held for sale".

Balance sheet disclosures

The major classes of assets and liabilities of the China Hospitality Group classified as held for sale and the related reserves as at 31 March 2018 are as follows:

	2018 **$'000**
Assets:	
Property, plant and equipment	78,231
Trade and other receivables	1,211
Prepayments	78
Cash and cash equivalents	25,870
Other current assets	171
Assets of disposal group held for sale	105,561
Liabilities:	
Trade and other payables	3,002
Current income tax liabilities	224
Deferred tax liabilities	2,736
Non-current other payables	115
Liabilities directly associated with disposal group held for sale	6,077
Net assets directly associated with disposal group held for sale	99,484
Reserves:	
Foreign currency translation reserve	9,382
Hedging reserve	(492)
Other reserve	1,210
Reserves of disposal group held for sale	10,100

31. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties during the financial year:

	The Group	
	2018	2017
	$'000	$'000
Immediate holding company:		
Amounts received/receivable		
- office rental	**335**	375
- corporate service income	**13**	13
Other related companies:		
Amounts received/receivable		
- corporate service income	**6,347**	2,404
- office rental	**202**	227
- property related services and management fee	**-**	8
Associated and joint venture companies:		
Amounts received/receivable		
- corporate secretarial and service fee	**899**	810
- property related services and management fee	**40,535**	44,012
- fund management and trustee fees	**135,634**	78,309
- car park licence fee	**4,669**	4,742
Sale of development property	**-**	420,000
Amounts paid/payable		
- office rental	**79**	490
- other operating expenses	**88**	-
Key management personnel compensation:		
- salaries and other short term benefits	**26,187**	36,439
- post-employment benefits - contribution to CPF	**335**	363
	26,522	36,802

32. Financial risk management objectives and policies

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. 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 and interest rate swaps to hedge financial risk exposures.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk

(i) Currency risk

The Group operates in Asia Pacific Region with dominant operations in Singapore, India, People's Republic of China, Korea, Australia and Southeast Asia. The Group is exposed to foreign currency risk on limited rental income, purchases and borrowings that are denominated in currencies other than the respective functional currency of the Group's entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Indian Rupee ("INR"), Chinese Renminbi ("RMB"), Korean Won ("KRW"), Australian Dollar ("AUD") and Japanese Yen ("JPY").

In addition, the Group is exposed to foreign currency movements on its investment in foreign subsidiary and associated companies, which generate revenue and incur costs denominated in foreign currencies; and such changes impact the reserves of the Group.

Where appropriate, the Group enters into foreign exchange forward contracts and cross currency swaps to minimise its currency risk exposure resulting from anticipated sale and purchase transactions in foreign currencies, its foreign currency denominated investments and net assets of its foreign subsidiary and associated companies.

Natural hedging is preferred as far as possible by matching assets and liabilities of the same currency. Derivative financial instruments are only used when necessary to reduce exposure to fluctuation in foreign exchange rates.

32. **Financial risk management objectives and policies** (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's exposure to foreign currencies based on the information provided to key management is as follows:-

	SGD $'000	USD $'000	RMB $'000	INR $'000	KRW $'000	AUD $'000	JPY $'000	Others $'000
The Group								
2018								
Financial assets								
Cash and bank balances	71,337	39,105	910	-	1	3,975	6,616	-
Trade and other receivables	76,225	9,418	19,505	7,474	2,646	152,450	68,208	7,451
Deposits	-	29	-	-	-	-	-	-
	147,562	48,552	20,415	7,474	2,647	156,425	74,824	7,451
Financial liabilities								
Trade and other payables - current Less: Deferred income included in trade and other payables	580,552	9,501	5,290	1,173	908	288	1,720	2,855
Borrowings	297,921	47,419	-	-	-	-	-	-
Other financial liabilities	10,157	-	-	-	-	20,266	62,388	-
	888,630	56,920	5,290	1,173	908	20,554	64,108	2,855
Net financial (liabilities)/assets	**(741,068)**	**(8,368)**	**15,125**	**6,301**	**1,739**	**135,871**	**10,716**	**4,596**
Less:								
Cross currency forward contracts	-	-	(131,493)	-	(42,612)	(22,136)	(139,894)	-
Cross currency interest rate swaps	293,300	-	(7,903)	-	-	-	(39,516)	-
Loan and currency swaps designated as net investment hedges	-	47,419	29,903	-	-	-	161,516	-
	(447,768)	**39,051**	**(94,368)**	**6,301**	**(40,873)**	**113,735**	**(7,178)**	**4,596**

32. **Financial risk management objectives and policies** (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD $'000	USD $'000	RMB $'000	INR $'000	KRW $'000	AUD $'000	JPY $'000	Others $'000
The Group								
2017								
Financial assets								
Cash and bank balances	56,907	7,410	2,520	-	1	2,420	5,917	7
Trade and other receivables	395,795	10,693	19,932	103	31,355	160,703	113,423	24,339
Refundable deposits	-	10	-	-	-	-	-	-
	452,702	18,113	22,452	103	31,356	163,123	119,340	24,346
Financial liabilities								
Trade and other payables – current	558,279	10,008	4,250	1,201	1,807	264	4,460	2,754
Less: Deferred income included in trade and other payables								
Borrowings	202,240	50,382	-	-	-	-	63,070	-
Other financial liabilities	139,579	579	735	-	352	21,350	105,263	-
	900,098	60,969	4,985	1,201	2,159	21,614	172,793	2,754
Net financial (liabilities)/assets	**(447,396)**	**(42,856)**	**17,467**	**(1,098)**	**29,197**	**141,509**	**(53,453)**	**21,592**
Less:								
Cross currency forward contracts	-	-	(22,000)		(19,370)	(23,346)	(120,302)	
Cross currency interest rate swaps	193,800	-	(8,397)	-	-	-	(41,985)	-
Loan and currency swaps designated as net investment hedges	-	50,382	30,397	-	-	-	206,055	-
	(253,596)	7,526	17,467	(1,098)	9,827	118,163	(9,685)	21,592

32. **Financial risk management objectives and policies** (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's exposure to currency risk is minimal as its revenue, expenses, assets and liabilities are substantially denominated in SGD.

Sensitivity analysis for currency risk

If the USD, RMB, INR, KRW, AUD and JPY change against the SGD by 6% (2017 : 3%), 2% (2017: 3%), 6% (2017: 5%), 2% (2017: 6%), 5% (2017: 3%) and 1% (2017: 5%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2018		2017	
	Profit After Tax $'000	**Equity $'000**	Profit After Tax $'000	Equity $'000
The Group				
USD against SGD				
- strengthened	**1,945**	-	187	-
- weakened	**(1,945)**	-	(187)	-
RMB against SGD				
- strengthened	**(1,567)**	-	435	-
- weakened	**1,567**	-	(435)	-
INR against SGD				
- strengthened	**314**	-	(46)	-
- weakened	**(314)**	-	46	-
KRW against SGD				
- strengthened	**(678)**	-	489	-
- weakened	**678**	-	(489)	-
AUD against SGD				
- strengthened	**4,720**	-	2,942	-
- weakened	**(4,720)**	-	(2,942)	-
JPY against SGD				
- strengthened	**(60)**	-	(402)	-
- weakened	**60**	-	402	-

32. **Financial risk management objectives and policies** (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial assets and financial liabilities. The Group borrows a mix of fixed and variable rate debts with varying tenors. Where appropriate, the Group uses interest rate swaps to minimise its exposure to variable interest rates for specific underlying debt obligations over the duration of the obligations.

The Group currently holds interest rate swaps to exchange floating rate SGD loans for fixed rate SGD loans. Hedge accounting is applied on these swaps.

Sensitivity analysis for interest rate risk

The Group's interest-bearing financial assets at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, AUD, RMB, KRW and JPY (2017: SGD, AUD, RMB, KRW, JPY, INR and Philippines Peso). If interest rate increase/decrease by 125 (2017: 125) basis points, with all other variables, including foreign currency exchange rates, being held constant, the Group's profit after tax will be higher/lower by approximately $4,005,000 (2017: $3,941,000) as a result of higher/lower interest income from these interest-bearing financial assets.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, RMB, AUD and INR (2017: SGD, RMB, AUD and JPY). If interest rates increase/decrease by 175 (2017: 175) basis points, with all other variables, including foreign currency exchange rates, being held constant, the Group's profit after tax will be lower/higher by approximately $10,994,000 (2017: $9,670,000) as a result of higher/lower interest expense on these borrowings.

If interest rates increase/decrease by 100 (2017: 125) basis points, with all other variables, including foreign currency exchange rates, being held constant, other comprehensive income would have been higher/lower by approximately $43,497,000 (2017: $56,857,000), mainly as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

32. **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 Group, as and when they fall due. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Generally, advance deposits of at least three months rental (or equivalent amount in bankers' guarantee) are obtained for all tenancies. Cash and bank deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

At the end of the reporting period, the Group and the Company have no significant concentration of credit risk. As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each financial asset presented on the balance sheet.

The credit risk for trade and other receivables (current and non-current) by geographical segments based on information provided to key management is as follows:-

	The Group		**The Company**	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Singapore	**45,889**	62,537	**1,547,643**	1,853,803
India	**104,430**	87,233	**7,517**	8,662
The Philippines	**41**	127	**452**	424
People's Republic of China	**4,545**	12,359	**723,786**	493,270
Malaysia	**1,522**	2,461	**16,473**	16,044
Australia	**7,782**	15,294	**114,072**	64
Japan	**6,140**	6,333	**3,931**	3,705
Korea	**1,355**	3,414	**36,748**	1
Others	**856**	2,617	**47,684**	39,096
	172,560	192,375	**2,498,306**	2,415,069

32. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits are mainly deposits with banks which are regulated. Trade receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group. Other receivables that are neither past due or impaired include amounts due from non-related parties, associated and joint venture companies. These companies have relatively healthy financial positions and management does not expect any of these companies to fail to meet its obligations.

(ii) Financial assets that are past due and/or impaired

The aging analysis of trade receivables from non-related parties (current) as at the end of the reporting period is as follows:-

	The Group			
	2018		2017	
	Gross	**Allowance for Impairment**	Gross	Allowance for Impairment
	$'000	**$'000**	$'000	$'000
Past due 0 to 90 days	**13,082**	**(234)**	12,394	-
Past due 91 to 180 days	**342**	**(12)**	310	(17)
Past due 181 to 360 days	**1,048**	**-**	1,132	-
Past due over 360 days	**3,597**	**(28)**	2,509	(84)
	18,069	(274)	16,345	(101)

The movements in the allowance for impairment are as follows:-

		The Group	
	Note	**2018**	2017
		$'000	$'000
Trade receivables (current)			
Beginning of financial year		**101**	544
Allowance made/(written back)		**250**	(442)
Allowance utilised		**(75)**	-
Currency translation differences		**(2)**	(1)
End of financial year	15	**274**	101

32. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

The movements in the allowance for impairment in respect of other receivables due from associated and joint venture companies (current) and other receivables (current and non-current) are as follows:-

		The Group	
		2018	2017
	Note	**$'000**	$'000
Other receivables – associated and joint venture companies (current and non-current)			
Beginning of financial year		**370**	3,355
Allowance made/(written back)		**4,679**	(3,104)
Allowance utilised		**-**	(14)
Currency translation differences		**(159)**	133
End of financial year	15	**4,890**	370
Other receivables (current and non-current)			
Beginning of financial year		**2,999**	2,642
Allowance made		**3**	1,299
Arising from disposal of subsidiary companies		**-**	(787)
Currency translation differences		**(259)**	(155)
End of financial year	15	**2,743**	2,999

Trade and other receivables that are individually determined to be impaired at the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. There is no allowance for impairment made in respect of the Company's trade and other receivables.

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash, internally generated cash flows and the availability of funding resources through adequate committed credit facilities. The Group also maintains a mix of short-term money market borrowings as well as the ability to tap the capital market through the medium term note programme to fund working capital requirements and capital expenditure/ investments. The Group assessed concentration risk with respect to debt refinancing and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within twelve months can be rolled over with existing lenders.

32. **Financial risk management objectives and policies** (continued)

(c) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and Company's non-derivative 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. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000	Total $'000
The Group				
2018				
Trade and other payables (less deferred income)	(1,026,635)	-	-	(1,026,635)
Borrowings	(522,019)	(3,042,244)	(403,768)	(3,968,031)
Other financial liabilities	-	(78,246)	(32,234)	(110,480)
	(1,548,654)	**(3,120,490)**	**(436,002)**	**(5,105,146)**
2017				
Trade and other payables (less deferred income)	(622,228)	-	-	(622,228)
Borrowings	(537,598)	(2,581,821)	(711,366)	(3,830,785)
Other financial liabilities	-	(113,992)	(23,539)	(137,531)
	(1,159,826)	**(2,695,813)**	**(734,905)**	**(4,590,544)**
The Company				
2018				
Trade and other payables	(1,605,754)	-	-	(1,605,754)
Borrowings	(56,569)	(765,393)	(82,832)	(904,794)
	(1,662,323)	**(765,393)**	**(82,832)**	**(2,510,548)**
2017				
Trade and other payables	(1,052,806)	-	-	(1,052,806)
Borrowings	(123,675)	(689,361)	(291,076)	(1,104,112)
	(1,176,481)	**(689,361)**	**(291,076)**	**(2,156,918)**

32. **Financial risk management objectives and policies** (continued)

(c) Liquidity risk (continued)

The table below analyses the maturity profile of the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows 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. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000	Total $'000
The Group				
2018				
Net-settled interest rate swaps cash flow hedges	(329)	(1,395)	2,328	604
Net-settled currency forwards	784	(5,484)	-	(4,700)
	455	**(6,879)**	**2,328**	**(4,096)**
2017				
Net-settled interest rate swaps – cash flow hedges	(317)	(5,605)	2,958	(2,964)
Net-settled currency forwards	(1,633)	4,424	3,995	6,786
	(1,950)	**(1,181)**	**6,953**	**3,822**
The Company				
2018				
Net-settled interest rate swaps – cash flow hedges	43	(984)	-	(941)
2017				
Net-settled interest rate swaps – cash flow hedges	(71)	(1,875)	-	(1,946)

The table below shows the contractual expiry by maturity of the Group's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000	Total $'000
The Group				
2018				
Financial guarantees	-	(22,603)	-	(22,603)
2017				
Financial guarantees	(7,929)	-	-	(7,929)

32. **Financial risk management objectives and policies** (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividend payment to the shareholder, return capital to the shareholder, issue new shares or capital securities, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital based on the debt equity ratio, which is calculated as total external borrowings divided by total equity.

	The Group		**The Company**	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Total borrowings including loans from non-controlling interests*	**3,532,322**	3,559,299	**812,905**	992,242
Total equity	**4,740,166**	4,978,349	**1,071,530**	1,404,833
Debt equity ratio	**74.5%**	71.5%	**75.9%**	70.6%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2018 and 2017.

33. **Fair value of assets and liabilities**

(a) Fair value hierarchy

The Group 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 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.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. There have been no transfers between Level 1 to Level 3 fair value measurements during the financial years ended 31 March 2018 and 2017.

33. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value

The following table presents the assets and liabilities measured at fair value at the end of the reporting period:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Assets				
Investment properties	-	-	5,929,522	5,929,522
Asset held for sale	-	-	106,000	106,000
Available-for-sale financial assets				
- quoted equity securities	3,030	-	-	3,030
- unquoted equity securities	-	-	8,473	8,473
Derivative financial instruments	-	13,167	-	13,167
	3,030	**13,167**	**6,043,995**	**6,060,192**
Liabilities				
Derivative financial instruments	**-**	**(17,264)**	**-**	**(17,264)**
2017				
Assets				
Investment properties	-	-	5,638,346	5,638,346
Available-for-sale financial assets				
- unquoted equity securities	-	-	8,303	8,303
Derivative financial instruments	-	16,310	-	16,310
	-	**16,310**	**5,646,649**	**5,662,959**
Liabilities				
Derivative financial instruments	**-**	**(12,488)**	**-**	**(12,488)**

The Company	Level 1	Level 2	Level 3	Total
2018				
Assets				
Derivative financial instruments	-	43	-	43
Liabilities				
Derivative financial instruments	-	(984)	-	(984)
2017				
Assets				
Derivative financial instruments	-	59	-	59
Liabilities				
Derivative financial instruments	-	(2,005)	-	(2,005)

33. **Fair value of assets and liabilities** (continued)

(c) Determination of fair values

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivative financial instruments

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps and cross currency swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

(ii) Investment properties

The fair value of investment properties are determined by independent professional valuers and includes premium received or receivable in advance in respect of land leases contracted at the balance sheet date. Valuations are made annually based on the properties' highest-and-best use using the income method, discounted cash flow method and direct comparison method, which involve certain estimates.

These valuation methods take into consideration significant inputs such as growth rate, capitalisation rate, terminal yield rate, discount rate and recent market transactions for similar properties in the same locations. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

(iii) Available-for-sale equity securities

The fair values of available-for-sale equity securities are determined based on the fair value of the underlying investment properties of the investee companies. The valuations are based on discounted cash flow method and the significant unobservable inputs used are discount rates.

(iv) Other financial assets and liabilities

The carrying values of current trade and other receivables and payables approximate their fair values. The carrying values of borrowings approximate their fair values.

33. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements

(i) Valuation techniques and significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation models:

Types	Valuation techniques	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Investment properties	Income method Discounted cash flow method	- Discount rate: 6.88% to 20.7% (2017: 7% to 21.4%) - Capitalisation rate: 4.25% to 10% (2017: 4.0% to 10%) - Terminal yield rate: 5.1% to 10% (2017: 5.25% to 10%) - Growth rate: 3% to 5% (2017: 3% to 5%)	The estimated fair value - varies inversely against the discount rate, capitalisation rate and terminal yield rate; - increases with higher growth rate, and occupancy rates
	Direct comparison method	- Comparable price: $2 psf to $591 psf (2017: $2 psf to $1,184 psf)	The estimated fair value increases with higher comparable price.
	Residual land value method	- Total gross development values: $76,020,000 to $999,000,000 (2017: $72,680,000 to $999,000,000) - Total estimated construction cost to completion: $46,161,000 to $215,682,000 (2017: $44,600,000 to $232,601,000)	The estimated fair value increases with higher gross development value and decreases with higher cost to completion
Available-for-sale equity securities	Discounted cash flow method	- Discount rate: 7.25% (2017: 8%)	The estimated fair value varies inversely against the discount rate.

(ii) Movement in level 3 assets measured at fair value

The movements of investment properties classified under Level 3 have been disclosed in Note 11. The following table presents the reconciliation for available-for-sale equity securities measured at fair value based on significant unobservable inputs (Level 3):

	Available-for-sale financial assets – unquoted equity securities	
	2018	2017
	$'000	$'000
The Group		
Beginning of financial year	**8,303**	7,614
Additions	**206**	-
Fair value gain recognised in equity	**(55)**	712
Currency translation differences	**19**	(23)
End of financial year	**8,473**	8,303

33. **Fair value of assets and liabilities** (continued)

(d) Level 3 fair value measurements (continued)

(iii) *Valuation processes applied by the Group*

Generally, the fair values of investment properties are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation companies provide the fair values of the Group's investment property portfolio annually. The valuation and its financial impact are discussed with the Audit Committee and Board of Directors of the immediate holding company in accordance with the Group's reporting policies.

The assessment of fair value of available-for-sale equity securities is performed by the Group's finance department and operations team on a monthly basis. The finance department reports to the Group's Chief Financial Officer ("CFO").

(e) Assets and liabilities not carried at fair value but for which fair values are disclosed

The following table shows an analysis of assets and liabilities not measured at fair value at the end of the reporting period but for which fair value is disclosed:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000	Carrying amount $'000
2018					
Assets					
Property, plant and equipment*	-	-	601,665	601,665	472,502
Liabilities					
Borrowings					
- Fixed rate medium term notes and bank loans	-	-	(1,171,619)	(1,171,619)	(1,160,911)
2017					
Assets					
Property, plant and equipment*	-	-	698,282	698,282	602,412
Liabilities					
Borrowings					
- Fixed rate medium term notes and bank loans	-	-	(1,052,428)	(1,052,428)	(1,041,433)

* Comprises freehold land, leasehold land and buildings

The fair values of fixed rate medium term notes and bank loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing arrangements at the balance sheet date.

33. Fair value of assets and liabilities (continued)

(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follow:

	The Group			
	2018		2017	
	Carrying value $'000	**Fair value $'000**	Carrying value $'000	Fair value $'000
Financial assets:				
Available-for-sale financial assets				
- equity securities	**3,073**	*	3,073	*

* Investment in equity instruments carried at cost

Fair value information has not been disclosed for the Group's investments in equity instruments that are carried at cost because fair value cannot be measured reliably. These equity instruments represent ordinary shares in companies operating business parks in China. These investments are not quoted on any market and do not have any comparable industry peers that is listed. In addition, the variability in the range of reasonable fair value estimates of these investments derived from valuation techniques is significant.

(g) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying values of current trade and other receivables and payables approximate their fair values. The carrying values of borrowings approximate their fair values.

34. Commitments

As at the end of the reporting period, the Group had the following commitments:

Development and capital expenditure:

	The Group	
	2018 $'000	2017 $'000
Amounts approved and contracted for	**677,100**	279,035
Amounts approved but not contracted for	**232,824**	452,379
	909,924	731,414

34. **Commitments** (continued)

Commitments in respect of investments are as follows:

	The Group	
	2018	2017
	$'000	$'000
Subsidiary companies	**87,170**	-
Associated companies	**460**	4,000
Joint venture companies	**95,141**	109,617
	182,771	113,617

The Group leases land from its former holding entity and office space from non-related parties under non-cancellable operating lease agreements with varying terms.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	The Group	
	2018	2017
	$'000	$'000
Lease payments due:		
- not later than one year	**6,196**	4,241
- later than one year and not later than five years	**17,897**	13,674
- later than five years	**160,486**	83,015
	184,579	100,930

In addition, there is one 98-year term, one 30+23 year term and two 30-year term operating leases on leasehold land, which expires in August 2116, December 2061, February 2042 and January 2041 respectively. The lease rental is subject to annual revision.

The Group is the lessor of office, industrial and retail spaces to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increases to the lease payments or contingent rents based on sales achieved by tenants.

Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	The Group	
	2018	2017
	$'000	$'000
Lease receivables:		
- not later than one year	**281,713**	212,199
- later than one year and not later than five years	**672,993**	513,998
- later than five years	**386,225**	155,361
	1,340,931	881,558

35. Operating segments

The Group has seven key reportable segments, representing its operations and investments in funds/ associates/ joint ventures in Singapore, China, India, Korea, Australia, Japan and South East Asia. Each segment is managed separately due to the different geographical locations. The Group CEO of the immediate holding company reviews the internal management reports on these segments on a quarterly basis, at a minimum, for strategic decision making, performance assessment and resources allocation purposes.

Performance of each reportable segment is measured based on segment revenue and segment earnings before net finance costs and income tax. Segment assets and liabilities are presented net of inter-segment balances.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operations and investments in funds/ associates/ joint ventures are segmented based on where the underlying assets or investments are principally located. In the event of a change of this segmentation in the future, the reportable segment will be amended accordingly.

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For the financial year ended 31 March 2018

35. Operating segments (continued)

	Singapore $'000	China $'000	India $'000	Korea $'000	SEA $'000	Australia $'000	Japan $'000	Eliminations $'000	Total $'000
The Group									
2018									
Revenue and expenses									
External revenue	313,949	148,846	55,695	103,466	2,264	187,865	34,030	(4,625)	841,490
EBIT*	241,845	154,467	82,964	70,729	(3,839)	50,579	11,805	-	608,550
Net finance costs	(36,898)	(26,863)	(2,401)	(12,570)	191	(16,619)	(556)	-	(95,716)
Profit/(loss) before tax	204,947	127,604	80,563	58,159	(3,648)	33,960	11,249	-	512,834
Income tax expense	(44,896)	(25,293)	(7,415)	(26,880)	892	(9,826)	(7,739)	-	(121,157)
Profit/(loss) after tax	160,051	102,311	73,148	31,279	(2,756)	24,134	3,510	-	391,677
Other information									
Depreciation and amortisation	(9,038)	(4,388)	(713)	(142)	(358)	(17,294)	(1)	-	(31,934)
Interest income	4,613	2,288	2,984	1,249	191	1,071	1	(1,275)	11,122
2017									
Revenue and expenses									
External revenue	312,045	81,798	44,149	54,852	2,979	181,040	53,566	(27,238)	703,191
EBIT*	286,616	70,170	36,706	62,331	(7,448)	51,507	31,325	-	531,207
Net finance costs	(44,646)	(16,529)	(2,588)	(14,331)	430	(16,918)	(268)	-	(94,850)
Profit/(loss) before tax	241,970	53,641	34,118	48,000	(7,018)	34,589	31,057	-	436,357
Income tax expense	(55,722)	(11,096)	(10,165)	(1,274)	508	(3,329)	(4,047)	-	(85,125)
Profit/(loss) after tax	186,248	42,545	23,953	46,726	(6,510)	31,260	27,010	-	351,232
Other information									
Depreciation and amortisation	(8,178)	(4,971)	(611)	(165)	(525)	(17,765)	(1)	-	(32,216)
Interest income	3,543	1,330	2,509	1,212	497	743	1	(3,339)	6,496

*Earnings before interest and tax

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2018

35. Operating segments (continued)

	Singapore $'000	China $'000	India $'000	Korea $'000	SEA $'000	Australia $'000	Japan $'000	Operation related to disposal group held for sale China $'000	Eliminations $'000	Total $'000
The Group										
2018										
Assets and liabilities										
Investment properties	2,766,865	1,271,625	265,241	518,952	-	577,581	529,258	-	-	5,929,522
Property, plant and equipment	17,612	954	2,143	45	148	487,600	1	-	-	508,503
Investments in associated and joint venture companies	1,290,904	193,591	268,643	-	75,304	-	-	-	-	1,828,442
Other segment assets	3,982,066	422,733	194,987	118,793	15,346	93,966	28,301	105,561	(3,332,127)	1,629,626
Reportable segment assets	8,057,447	1,888,903	731,014	637,790	90,798	1,159,147	557,560	105,561	(3,332,127)	9,896,093
Reportable segment liabilities	4,205,502	1,673,174	367,596	402,810	88,671	885,394	165,785	6,077	(2,639,082)	5,155,927
Capital expenditure*	173,496	9,775	98,908	134,934	13,778	268,337	781	-	-	700,009
2017										
Assets and liabilities										
Investment properties	2,667,428	1,160,605	208,703	747,928	-	341,554	512,128	-	-	5,638,346
Property, plant and equipment	16,637	80,311	680	62	246	521,357	-	-	-	619,293
Investments in associated and joint venture companies	1,249,576	201,928	244,154	130,485	58,939	-	-	-	-	1,885,082
Other segment assets	3,460,497	373,727	156,083	93,377	16,529	77,738	26,170	-	(2,807,397)	1,396,724
Reportable segment assets	7,394,138	1,816,571	609,620	971,852	75,714	940,649	538,298	-	(2,807,397)	9,539,445
Reportable segment liabilities	3,764,982	1,362,551	291,059	489,214	72,293	633,212	61,018	-	(2,113,233)	4,561,096
Capital expenditure*	168,196	402,213	91,044	624	14,111	10,418	1,127	-	-	687,732

* Capital expenditure comprises acquisition and development expenditure of investment properties, acquisition of plant and equipment, intangible assets and interests in subsidiary, associated and joint venture companies.

36. Contingencies

Financial guarantees

The Group has issued guarantees to a bank in respect of banking facilities obtained by a joint venture company. The maximum exposure to the Group is represented by the amount of the facilities drawn down by the joint venture company of $22,603,000 (2017: $7,929,000). As at 31 March 2018, the Group has assessed the fair value of these financial guarantees to be insignificant as the loan was fully pledged by the joint venture company's property assets which valuation exceeds the outstanding balances of the loans.

37. Events occurring after the reporting period

Acquisition of KY-Heritage Hotel Dongdaemun

On 27 April 2018, the Group through its subsidiary companies, Ascendas Hospitality Trust and Ascendas (Korea) Pte Ltd, entered into a conditional sale and purchase agreement to acquire 100% interest in KY-Heritage Hotel Dongdaemum for KRW73,000,000,000 ($90,100,000). The acquisition marks A-HTRUST's maiden entry into the South Korean market and reinforces its strategy to invest in a well-diversified portfolio of quality assets.

The acquisition is expected to be fully funded by debt. The acquisition has been completed on 21 May 2018.

Acquisition of Ascendas India Development Trust Pte. Ltd. ("AIDTPL")

On 7 May 2018, the Group through its wholly-owned subsidiary, Ascendas Land International Pte Ltd ("ALI"), completed the acquisition of 100% stake in AIDTPL from its associated company, Ascendas India Development Trust ("AIDT"), for a consideration of $96,700,000. AIDTPL has a portfolio of 3 mixed/multi-use development projects in India.

38. Subsidiary companies

The following are the Company's subsidiary companies:

Direct subsidiary companies	Principal activities	Country of incorporation/ place of business	Percentage of equity held by the Company		Cost of investment	
			2018	2017	**2018**	2017
			%	%	**$'000**	$'000
Ascendas Investment Pte Ltd*	Investment holding	Singapore	**100**	100	**337,809**	337,809
Ascendas Land International Pte Ltd*	Investment holding	Singapore	**100**	100	**205,458**	205,458
Ascendas Land (Singapore) Pte Ltd*	Property owners, and the planning, developing, marketing and management of industrial parks, science parks, business parks and related facilities and investment holding	Singapore	**100**	100	**258,553**	258,553
Ascendas-Singbridge Holdings Pte. Ltd.*^	Investment holding	Singapore	**100**	-	**#**	-
Ascendas Hospitality Trust and its subsidiary companies** β	Public hospitality trust investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes located across Asia, Australia and New Zealand	Singapore	**27.60**	27.26	**-**	-
					801,820	801,820

Less than $1,000

38. **Subsidiary companies** (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Investment Pte Ltd				
Ascendas Holdings (Manila) Pte Ltd@	Investment holding	Singapore/ Philippines	-	63.75
Ascendas Utilities Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Funds Management (S) Limited*	Property fund management	Singapore	**100**	100
Ascendas Property Fund Trustee Pte. Ltd.*	Trustee for property trust and property fund management	Singapore	**100**	100
Ascendas Services (Shanghai) Co., Ltd**	Provision of e-infrastructure services	People's Republic of China	**100**	100
Ascendas China Commercial Fund Management Pte. Ltd.@	Property fund management	Singapore	-	100
Ascendas Asia Fund Management Pte. Ltd.*	Property fund management	Singapore	**100**	100
Ascendas India Development Fund Management Pte. Ltd.*	Trustee for property trust and property fund management	Singapore	**100**	100
Ascendas Asia Real Estate Fund Management Pte. Ltd*	Property fund management	Singapore	**100**	100
Ascendas Japan Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Asset Management Co., Ltd**	Property fund management	South Korea	**100**	100
Ascendas Hospitality Fund Management Pte. Ltd.*	Property fund management	Singapore	**100**	100
Ascendas Hospitality Trust Management Pte. Ltd.*	Trustee for property trust	Singapore	**100**	100
Ascendas Hospitality Australia Fund Management Pty Ltd**	Property fund management	Australia	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Land International Pte Ltd				
Ascendas (China) Pte Ltd*	Investment holding	Singapore/ People's Republic of China	**100**	100
Ascendas (Philippines) Corporation**	Construction and project management	Philippines	**100**	100
Crystal Clear Limited+	Investment holding	Cayman Islands	**100**	100
Riverbook Group Limited+	Investment holding	British Virgin Islands	**100**	100
Ascendas (Korea) Pte. Ltd.*	Investment holding	Singapore	**100**	100
A-KOF2 Private Equity Real Estate Investment Trust@	Private trust investing in real estate in South Korea	South Korea	**-**	57
Ascendas China Commercial Trustee Pte. Ltd.@	Trustee for property trust	Singapore	**-**	100
Ascendas S.E. Asia Business Space Fund Trustee Pte. Ltd.*	Trustee for property trust	Singapore	**100**	100
Ascendas Vista Trustee Pte. Ltd.*^	Trustee for property trust	Singapore	**100**	-
Ascendas India Development VII Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas India Joint Investments Co. Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Land (Malaysia) Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Korea Office Private Real Estate Investment Trust 2**	Private trust investing in real estate in South Korea	South Korea	**65.71**	65.71

38. **Subsidiary companies** (continued)

Indirect subsidiary companies	**Principal activities**	**Country of incorporation/ place of business**	**Effective interest held by the Group 2018 %**	**2017 %**
Subsidiary companies of Ascendas Land International Pte Ltd (continued)				
Ascendas China Commercial II Trustee Pte Ltd*	Trustee for property trust	Singapore	**100**	100
Ascendas China Business Park IV Trustee Pte. Ltd.*	Trustee for property trust	Singapore	**100**	100
Ascendas China Commercial Fund 2*	Private trust investing in real estate in China	Singapore	**93.42**	93.42
Ascendas India Fund Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Land Vietnam Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Jongro Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Indonesia Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
ACCF3 Trustee Pte. Ltd. (formerly known as Ascendas Jiahui Trustee Pte Ltd)*	Trustee for property trust	Singapore	**100**	100
ACCF3 Holding Pte. Ltd. (formerly known as ACCBP Holding Pte. Ltd.)*	Investment holding	Singapore	**100**	100
Ascendas Office Investment Holding Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Office Fund A Trustee Pte Ltd*	Trustee for property trust	Singapore	**100**	100
Ascendas Office OEF Trustee Pte Ltd*	Trustee for property trust	Singapore	**100**	100
Ascendas Innovation Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Bangalore Fort Investment Pte. Ltd.*	Investment holding	Singapore	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Land International Pte Ltd (continued)				
Ascendas Asia-Pacific (Holdings) Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas India Logistics Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
Science Park Property Trustee Pte. Ltd.*	Trustee for property trust	Singapore	**100**	100
Ascendas Development (Holdings) Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Land International (Investments) Pte. Ltd.*	Investment holding	Singapore	**100**	100
Subsidiary companies of Ascendas Land (Singapore) Pte Ltd				
Ascendas (Kaki Bukit) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas (Tuas) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas Services Pte Ltd*	Marketing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas (Ubi) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas Development Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas (KB View) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100

38. **Subsidiary companies** (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Land (Singapore) Pte Ltd (continued)				
Ascendas (Admiralty) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
iAxil Pte Ltd*	Incubation management and business advisory services	Singapore	**100**	100
Tuas View Development Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas Vista Holding Pte Ltd [formerly known as Ascendas (Paya Lebar) Pte. Ltd.]*	Property owners and the planning, developing and marketing	Singapore	**100**	100
Southernwood Holding Pte. Ltd.*	Investment holding	Singapore	**100**	100
Singapore Science Park Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Ascendas Media Hub Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Venture Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**100**	100
Teletech Park Pte Ltd*	Property investment and development	Singapore	**100**	100
Ascendas Fusion 5 Holding Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Vista Unit Holding Property Pte. Ltd.*^	Investment holding	Singapore	**100**	-

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Land (Singapore) Pte Ltd (continued)				
Ascendas ICM Holdings Pte. Ltd.*	Investment holding	Singapore	**100**	100
Science Park Property 1 Pte. Ltd.*	Investment holding	Singapore	**100**	100
Subsidiary company of Ascendas-Singbridge Holdings Pte. Ltd.				
ASB Flex Holdings Pte. Ltd.*^	Investment holding	Singapore	**100**	-
Subsidiary company of Ascendas Fusion 5 Holding Pte. Ltd.				
Ascendas Fusion 5 Pte. Ltd.*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**75**	75
Subsidiary company of Ascendas ICM Holdings Pte. Ltd.				
Ascendas ICM Hub Pte. Ltd.*	Property owners and the planning, developing and marketing	Singapore	**100**	100
Subsidiary company of Ascendas Vista Holding Pte. Ltd.				
Ascendas Vista Property Pte. Ltd.*^	Investment holding	Singapore	**100**	-
Subsidiary company of Ascendas Japan Pte Ltd				
Ascendas Japan Inc +	Property fund management	Japan	**100**	100
Subsidiary companies of Ascendas (China) Pte Ltd				
Ascendas (Shanghai) Co., Ltd**	Provision of project consultancy, project management and other related services	People's Republic of China	**100**	100
Beijing Ascendas-BETIDC Development Co., Ltd**	Building, managing, leasing and selling built-to-suit facilities	People's Republic of China	**99.8**	99.8
Ascendas Services (Suzhou) Co., Ltd**	Provision of project consultancy, project management and other related services	People's Republic of China	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas (China) Pte Ltd (continued)				
Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Singapore-Hangzhou Science & Technology Park II Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Singapore-Hangzhou Science & Technology Park III Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Singapore-Hangzhou Science & Technology Park V Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Singapore-Hangzhou Science & Technology Park VI Pte. Ltd.*	Investment holding	Singapore	**100**	100
ASB Hangzhou Investment Pte Ltd. (formerly known as Ascendas BJDM1 Pte Ltd)*	Investment holding	Singapore	**100**	100
Ascendas Suzhou Science & Technology Park Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas GKC Investment Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas BJDM2 Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Chengshan Investment Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Zhangjiang C62 Pte. Ltd.*	Investment holding	Singapore	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary company of Crystal Clear Limited				
Krefelt Investments Pte Ltd*	Investment holding	Singapore	**100**	100
Subsidiary company of Krefelt Investments Pte Ltd				
Masagana Holdings Corporation**	Investment holding	Philippines	**100**	100
Subsidiary company of Masagana Holdings Corporation				
RBF Development Corporation** α	Development, operation and management of industrial buildings	Philippines	**100**	100
Subsidiary companies of Ascendas (Korea) Pte Ltd				
Ascendas Korea Inc.**	Management consulting, real estate leasing, purchasing and selling of real estate and other related services	South Korea	**100**	100
Ascendas Korea Office Private Real Estate Investment Trust 5**^	Private trust investing in real estate in South Korea	South Korea	**99.09**	-
Subsidiary company of Ascendas Zhangjiang C62 Pte. Ltd.				
Ascendas C62 Park (Shanghai) Co., Ltd.**	Develop and build industrial properties, provide management services, sales and lease and management of properties and provide related services	People's Republic of China	**100**	100
Subsidiary company of Ascendas (Shanghai) Co., Ltd				
Ascendas Services (Xi'an) Co., Ltd. **	Provision of project consultancy, project management and other related services	People's Republic of China	**100**	100
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park I Pte Ltd				
Ascendas Hangzhou Science & Technology Co., Ltd**	Software technology R&D, business process outsourcing and leasing of buildings and equipment	People's Republic of China	**80**	80

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park II Pte Ltd				
Ascendas Hangzhou Software Technology Co., Ltd**	Manufacturing of software product, sales and provision of related services, development and leasing of properties	People's Republic of China	**80**	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park III Pte Ltd				
Ascendas Hangzhou Industrial Automatic Co., Ltd**	R&D, design and test of industry automation product and related equipment, development and leasing of properties	People's Republic of China	**80**	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park IV Pte Ltd				
Ascendas Hangzhou Data Processing Co., Ltd**	Manufacturing of intelligent card and IC card, sales, development and leasing of properties	People's Republic of China	**80**	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park V Pte Ltd				
Ascendas Hangzhou Multi-Media Technology Co., Ltd**	Development of multimedia software, sales, development and leasing of properties	People's Republic of China	**80**	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park VI Pte Ltd				
Ascendas Hangzhou Computer System Service Co., Ltd**	Manufacturing of computer system product, sales and provision of related services and leasing of properties	People's Republic of China	**80**	80
Subsidiary company of Ascendas Suzhou Science & Technology Park Pte Ltd				
Ascendas Science & Technology Park Development (SIP) Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	**100**	100
Subsidiary company of Ascendas India Development VII Pte Ltd				
Ascendas IT Park (Pune) Private Limited**	Development, owning and management of information technology parks	India	**78.53**	78.53
Subsidiary companies of Ascendas Services Pte Ltd				
Ascendas Services (India) Private Limited**	Marketing and management of industrial parks and related facilities	India	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Services Pte Ltd (continued)				
Ascendas Services Malaysia Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Services Vietnam Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Services Philippines Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas (India) Private Limited#	Construction of infrastructure facilities, commercial and residential complexes and townships	India	**-**	100
Subsidiary company of Ascendas Services Malaysia Pte. Ltd.				
Ascendas Services Malaysia Sdn. Bhd.**	Marketing and management of commercial, industrial, warehousing properties and related facilities	Malaysia	**100**	100
Subsidiary company of Ascendas Land (Malaysia) Pte. Ltd.				
Ascendas Land (Malaysia) Sdn. Bhd.**	Investment holding	Malaysia	**100**	100
Subsidiary companies of Ascendas Indonesia Holdings Pte. Ltd.				
Ascendas Land Indonesia Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Indonesia Logistics Pte. Ltd.*^	Investment holding	Singapore	**100**	-
Subsidiary company of Ascendas Land Indonesia Pte. Ltd.				
Ascendas Indonesia Investments Pte. Ltd.*	Investment holding	Singapore	**100**	100
Subsidiary company of Ascendas India Joint Investments Co Pte Ltd				
One Hub Developers (Bangalore) Private Limited***	Investment holding	India	**100**	100
Subsidiary company of Ascendas Services Vietnam Pte. Ltd.				
Ascendas Services Vietnam Co., Ltd.**	Real estate consultancy and management services whether residential, commercial or industrial-related; construction project management and management consultancy services	Vietnam	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary company of Ascendas Media Hub Pte Ltd				
Ascendas-Citramas Pte. Ltd.*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	**70**	70
Subsidiary company of Ascendas Vista Unit Holding Property Pte. Ltd.				
Ascendas Vista Trust^	Private trust investing in real estate in Singapore	Singapore	**100**	-
Subsidiary companies of Ascendas India Fund Holdings Pte. Ltd.				
Ascendas India Growth Programme 1 Pte. Ltd.*	Investment holding	Singapore	**100**	100
AIGP2 Fund Pte. Ltd.*	Investment holding	Singapore	**100**	100
Subsidiary companies of Ascendas India Logistics Holdings Pte. Ltd.				
Ascendas India Logistics Pte. Ltd.*	Investment holding	Singapore	**100**	100
Ascendas Firstspace Development Management Private Limited**^	Marketing and management of industrial, warehousing and logistics properties and related facilities	India	**85**	-
Subsidiary companies of Ascendas India Logistics Pte. Ltd.				
AIL 1 Pte. Ltd.*	Investment holding	Singapore	**79.9**	100
AIL 1 (FPI) Pte. Ltd.*	Investment holding	Singapore	**79.9**	100
AIL 2 Pte. Ltd.*^	Investment holding	Singapore	**100**	-
Subsidiary companies of AIL 1 Pte. Ltd.				
Arrush Logistics Park Private Limited**	Development, owning and management of logistics park	India	**79.63**	100
Arrush (Phase II) Logistics Park Private Limited**	Development, owning and management of logistics park	India	**79.63**	100
Arrush (Phase III) Logistics Park Private Limited**	Development, owning and management of logistics park	India	**79.63**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of AIL 1 Pte Ltd (continued)				
Arrush (Phase IV) Logistics Park Private Limited**	Development, owning and management of logistics park	India	**79.63**	100
Arrush (Phase V) Logistics Park Private Limited**	Development, owning and management of logistics park	India	**79.63**	100
Subsidiary company of Ascendas Services (Shanghai) Co., Ltd				
Ascendas Shanghai Fund Management LLP **ɯ	Property fund management	People's Republic of China	**100**	100
Subsidiary companies of Southernwood Holding Pte. Ltd.				
Southernwood Investment Pte. Ltd.*	Investment holding	Singapore	**100**	100
Southernwood Property Pte. Ltd.* µ	Property owners and the planning, developing and marketing	Singapore	**65**	65
Subsidiary company of Ascendas Jongro Pte. Ltd.				
Ascendas Korea Office Private Real Estate Investment Trust 3**β	Private trust investing in real estate in South Korea	South Korea	**39.53**	39.53
Subsidiary company of Ascendas Indonesia Investments Pte. Ltd.				
PT. Ascendas Land Indonesia**	Investment holding	Indonesia	**99**	99
Subsidiary company of Ascendas Funds Management (S) Limited				
Ascendas Funds Management (Australia) Pty Ltd**	Property fund management	Australia	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of AIGP2 Fund Pte. Ltd.				
AIGP2 Chennai 1 Pte. Ltd.*^	Investment holding	Singapore	**100**	-
AIGP2 (FPI) Pte. Ltd.*^	Investment holding	Singapore	**100**	-
Subsidiary company of AIL 2 Pte. Ltd.				
Periyapalayam Logistics Park Private Limited**^	Development, owning and management of logistics park, Investment holding	India	**99.7**	-
Subsidiary company of Periyapalayam Logistics Park Private Limited				
Vinplex India Private Limited**^	Development, owning and management of logistics park	India	**99.7**	-
Subsidiary companies of ASB Flex Holdings Pte. Ltd.				
ASB Flex Pte. Ltd.*	Planning, developing and management of flexible workplace solutions	Singapore	**100**	100
ASB Flex China Co., Ltd**^	Planning, developing and management of flexible workplace solutions	China	**100**	-
Subsidiary company of Science Park Property 1 Pte. Ltd.				
Science Park Property Trust 1*^	Property owners and the planning, developing and management of facilities	Singapore	**100**	-
Subsidiary companies of Ascendas Office Investment Holding Pte Ltd				
Ascendas Office Investment (Australia) Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Office Fund A Pte Ltd*	Investment holding	Singapore	**100**	100
Ascendas Pan-Asian Office Fund A*	Private trust investing in real estate in Asia Pacific	Singapore	**100**	100
Ascendas Pan-Asian Office Fund*	Private trust investing in real estate in Asia Pacific	Singapore	**100**	100
Ascendas Australia Office Trust**	Investment holding	Australia	**100**	100

38. **Subsidiary companies** (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary companies of Ascendas Office Investment Holding Pte Ltd (continued)				
Ascendas Australia Office Investment Trust**	Investment holding	Australia	**100**	100
Ascendas Australia Office Investment Trust II**^	Investment holding	Australia	**100**	-
Ascendas Foxglove Trust 1**	Investment in real estate assets in Australia	Australia	**100**	100
ASB Sydney Goulburn Trust**^	Investment in real estate assets in Australia	Australia	**100**	-
Subsidiary company of ACCF3 Holdings Pte Ltd				
Ascendas China Commercial Fund 3 (formerly known as Ascendas China Commercial & Business Parks Funds 5)*	Private Trust	Singapore	**100**	100
Subsidiary companies of Ascendas China Commercial Fund 3				
Shanghai JiuJiang Pte. Ltd. (formerly known as ACCBP1 Pte. Ltd.)	Investment holding	Singapore	**100**	100
Ascendas Plaza Pte. Ltd.*++	Investment holding	Singapore	**100**	93.42
Subsidiary company of Shanghai JiuJiang Pte. Ltd.				
Kobest Investment Limited**	Investment holding	Hong Kong	**100**	100
Subsidiary company of Kobest Investment Limited				
Shanghai Bao Gang Real Estate Co., Ltd**	Development and leasing of properties	People's Republic of China	**100**	100

38. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %
Subsidiary company of Ascendas Plaza Pte. Ltd.				
Ascendas Development (Shanghai) Co., Ltd.**++	Development, sale and leasing of properties	Singapore	**100**	93.42
Subsidiary company of Ascendas Development (Holdings) Pte. Ltd.				
Ascendas Korea Office Private Real Estate Investment Trust 4**	Private trust investing in real estate in South Korea	South Korea	**96.34**	96.34

*	Audited by Ernst & Young LLP, Singapore.
**	Audited by member firms of Ernst & Young in the respective countries.
***	Audited by other auditors.
^	The subsidiary company was incorporated/acquired during the year.
+	Not subject to audit by law in the country of incorporation.
@	Disposed/liquidated/struck off during the financial year.
α	Includes 40% held by Ascendas Philippines Corporation (2017: 40%).
β	Was consolidated by the Group upon adoption of FRS110
ш	Includes 80% held by Ascendas (Shanghai) Co., Ltd (2017: 80%)
μ	Includes 35% held by Southernwood Investment Pte Ltd. (2017: 35%)
#	The subsidiary company was merged with Ascendas Services (India) Private Limited during the year.
++	The subsidiary company was held by Ascendas China Commercial Fund 2 in last financial year.

39. Associated and joint venture companies

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %	Cost of investment 2018 $'000	2017 $'000
Associated companies of Ascendas Land International Pte Ltd						
Ascendas India Trust and its subsidiary companies* ##	Public business trust investing in Information Technology Parks and IT related properties through the acquisition, development, re-development, management, maintenance, operating and leasing of such properties in India	Singapore	**22.16**	24.07	**150,404**	144,999
A-KOF Private Equity Real Estate Investment Trust @	Private trust investing in income generating office buildings and office development projects in Seoul and Seoul Metropolitan area	South Korea	**-**	30	**-**	90,527
A-KIF Private Equity Real Estate Investment Trust ***	Private trust investing in logistics and industrial assets, both income generating and development projects in South Korea	South Korea	**30**	30	**18,852**	18,852
Ascendas ASEAN Business Space Fund and its subsidiary companies*	Private trust investing in principally real estate or real estate related assets used or to be used or predominantly for business space solutions located in Malaysia, Vietnam and Philippines	Singapore	**20.5**	20.5	**34,955**	34,955

39. Associated and joint venture companies (continued)

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	2017 %	Cost of investment 2018 $'000	2017 $'000
Associated companies of Ascendas Land International Pte Ltd (continued)						
Ascendas India Development Trust and its subsidiary companies*	Private trust investing in the development of mixed or multi-use projects through the acquisition, development, re-development, sale and leasing of such assets in India	Singapore	**26**	26	**130,000**	130,000
Ascendas China Business Parks Fund 4 and its subsidiary companies *	Private trust investing in real estate in China	Singapore	**22.99**	22.99	**58,475**	77,962
RIA Venture Capital Pte Ltd	Research and experimental development on information technology	Singapore	**66.67**	33.33	**1,831**	1,000
Associated company of Ascendas Land (Singapore) Pte Ltd						
Ascendas Real Estate Investment Trust*** #+	Property investor and property fund management	Singapore	**19.98**	19.88	**1,010,331**	1,000,337
					1,404,848	1,498,632

* Audited by Ernst & Young LLP, Singapore.
** Audited by member firms of Ernst & Young in the respective countries.
*** Audited by other auditors.
\# Includes 2.33% held by Ascendas Funds Management (S) Limited (2017: 2.20%).
\## Includes 4.41% held by Ascendas Property Fund Trustee Pte Ltd (2017: 4.38%).
@ Disposed/liquidated/struck off during the financial year.

39. Associated and joint venture companies (continued)

Joint venture companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group 2018 %	Effective interest held by the Group 2017 %	Cost of investment 2018 $'000	Cost of investment 2017 $'000
Joint venture company of Ascendas Development Pte. Ltd.						
Ascendas Frasers Pte Ltd*	Property owner and the planning, developing and management of industrial parks, retail and hospitality facilities	Singapore	**50**	50	**16,753**	16,753
Joint venture company of Ascendas (China) Pte Ltd						
DLSP Ascendas Co., Ltd**	Development, management, leasing and selling of industrial properties and providing real estate consultancy	People's Republic of China	**50**	50	**40,530**	40,530
Joint venture company of Ascendas GKC Investment Pte Ltd						
GKC Ascendas Business Park Development Co. Ltd**	Development, construction, selling, leasing and manage self-built properties and ancillary facilities	People's Republic of China	**48.92**	48.92	**53,423**	53,422
Joint venture company of Ascendas Land (Malaysia) Sdn Bhd						
Nusajaya Tech Park Sdn Bhd**	Property development	Malaysia	**60**	60	**10,754**	10,096
Joint venture company of Ascendas Land Vietnam Pte Ltd						
Ascendas Saigon Bund Co Ltd**	Property development	Vietnam	**60**	60	**14,498**	3,724
Joint venture company of PT. Ascendas Land Indonesia						
PT. Metropolitan Karyadeka Ascendas**	Property development	Indonesia	**49.99**	49.99	**16,077**	14,435
Joint venture companies of Ascendas India Growth Programme 1 Pte. Ltd.						
AIGP1 Pte. Ltd and its subsidiary companies*	Investment holding	Singapore	**30**	30	**#**	#
AIGP1 Pune A Pte Ltd*@	Investment holding	Singapore	**30**	100	**#**	-
AIGP1 Pune B Pte Ltd and its subsidiary companies*@	Investment holding	Singapore	**30**	100	**#**	-
					152,035	138,960

Less than $1,000
* Audited by Ernst & Young LLP, Singapore.
** Audited by member firms of Ernst & Young in the respective countries.
@ Was a subsidiary company in last financial year.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of Ascendas Pte Ltd on 30 May 2018.