Ascendas India Trust

Annual Report 2021

Our strategic focus is to expand our business parks portfolio to attractive micro-markets and to accelerate our diversification in new economy asset classes to strengthen portfolio resilience. We continue to forge enduring relationship with our tenants, providing them with customised real estate solutions. With our operating expertise in India, and the support of CapitaLand Investment, we are confident that we can navigate potential risks effectively to generate long-term sustainable returns for our Unitholders.

SANJEEV DASGUPTA
CHIEF EXECUTIVE OFFICER

ascendas
India Trust
A Member of
CapitaLand Investment

Our cover page features the letters "C" and "O" intersecting to form an interlocked design, where the "C" stands for CapitaLand and the "O" stands for ONE. Together, they represent the ONE CapitaLand ecosystem, and symbolise how the respective REITs, business trusts and businesses that are part of our CapitaLand Investment Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of Enriching Lives, Building Communities and Growing Sustainably.

Contents

Who We Are

Ascendas India Trust ('a-iTrust' or the 'Trust') is a property trust which owns seven IT parks, one logistics park and one data centre development in India, valued at S$2.4 billion as at 31 December 2021. With total completed floor area of 15.0 million square feet spread across Bangalore, Chennai, Hyderabad, Mumbai and Pune, a-iTrust is focused on capitalising on the fast growing IT industry and logistics/industrial asset classes in India, as well as diversifying into data centres which is an attractive, scalable and resilient new economy asset class.

Our strategy is simple – to generate attractive portfolio returns for Unitholders by investing in IT parks, office properties and warehouses in key Indian cities, while proactively diversifying into other new economy asset classes. Our properties provide quality and reliable business space to our discerning tenants. This differentiation helps us attract and retain prominent tenants that commit to long leases, thereby fostering a stable income profile for the Trust.

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

Vision

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

Mission

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

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

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

Our corporate website: **www.a-itrust.com**

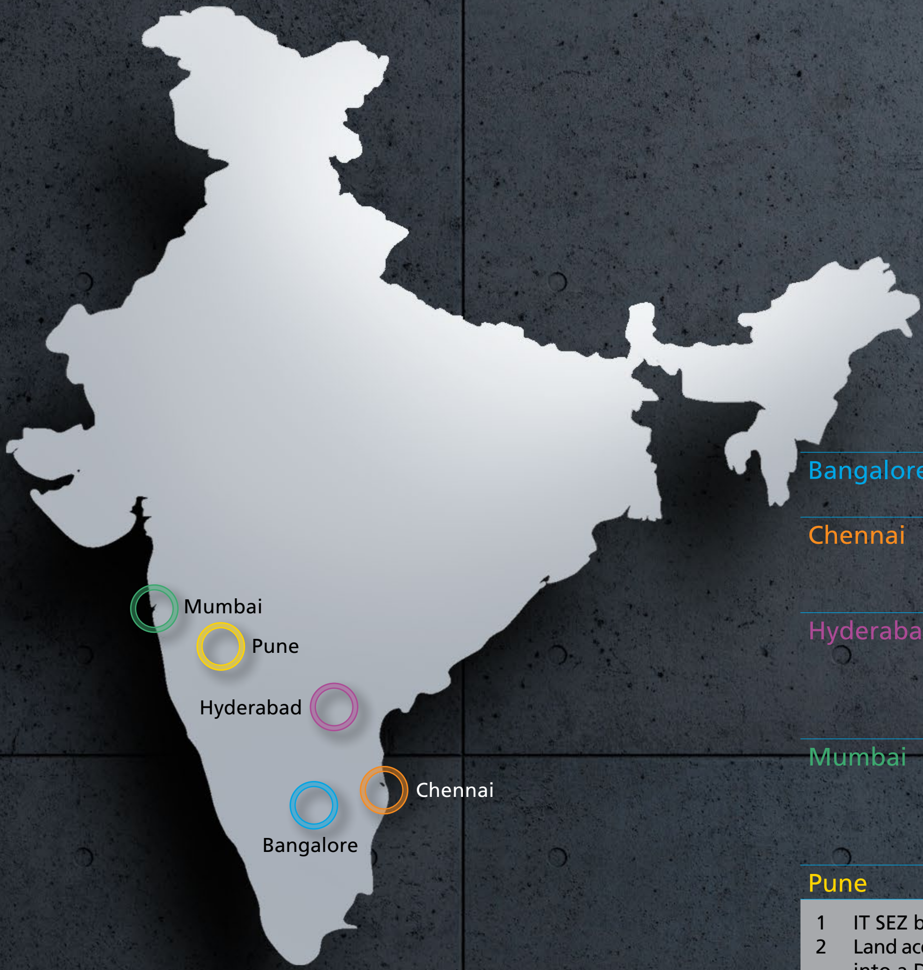
NOTES:
- All information in this annual report is dated as at 31 December 2021 unless otherwise stated.
- All measurements of floor area are defined herein as "Super Built-up Area" or "SBA", which is the sum of the floor area enclosed within the walls, the area occupied by the walls, the common areas such as the lobbies, lift shafts, toilets, and staircases of that property, and in respect of which rent is payable.
- The Indian Rupee and Singapore Dollar are defined herein as "INR/ ₹" and "SGD/ S$" respectively.
- Any discrepancy between the individual amounts and total shown in this annual report is due to rounding.

7 IT PARKS

1 LOGISTICS PARK

1 DATA CENTRE DEVELOPMENT

ACROSS **5** KEY INDIAN CITIES

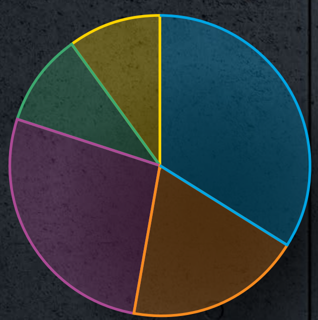


Bangalore	• International Tech Park Bangalore
Chennai	• International Tech Park Chennai • CyberVale
Hyderabad	• International Tech Park Hyderabad • CyberPearl • aVance Hyderabad
Mumbai	• Arshiya Panvel warehouses • Building Q1, Aurum Q Parc[1] • CapitaLand Data Centre Navi Mumbai 1[2]
Pune	• aVance Pune

1 IT SEZ building acquired in November 2021.
2 Land acquired in October 2021 for planned development into a Data Centre campus.

COMPLETED FLOOR AREA
(% Breakdown by Area)

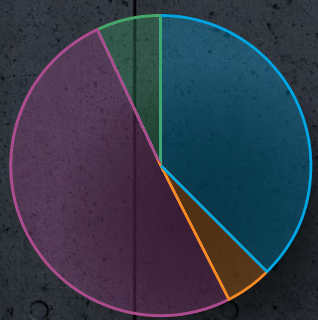
15.0
MILLION SQ FT



Bangalore	34%
Chennai	19%
Hyderabad	27%
Mumbai	10%
Pune	10%

POTENTIAL FLOOR AREA
(% Breakdown by Area)

8.3
MILLION SQ FT



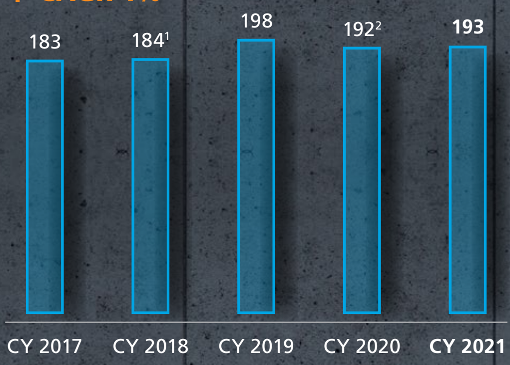
Bangalore	37%
Chennai	5%
Hyderabad	51%
Mumbai	7%

› For more details on our portfolio, go to pages 48 - 51.

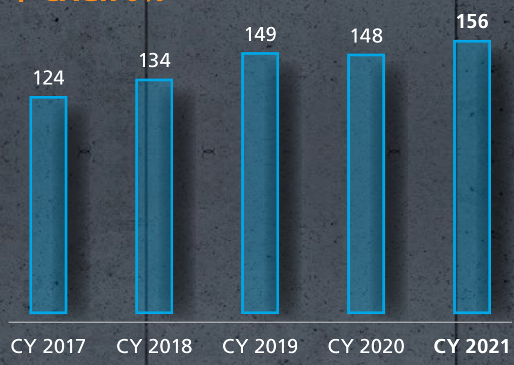
Note: Figures in above charts are as at 31 December 2021.

At A Glance

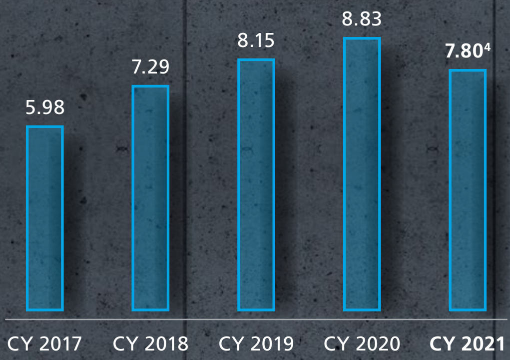
REVENUE
(S$ million)
↑ CAGR 1%



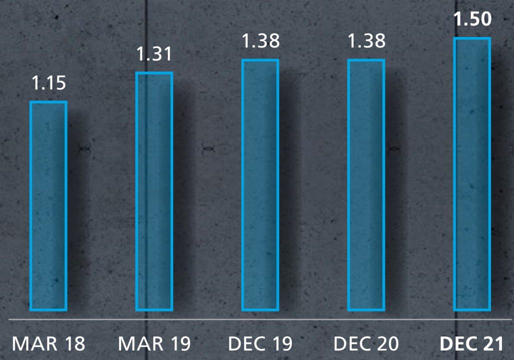
NET PROPERTY INCOME
(S$ million)
↑ CAGR 6%



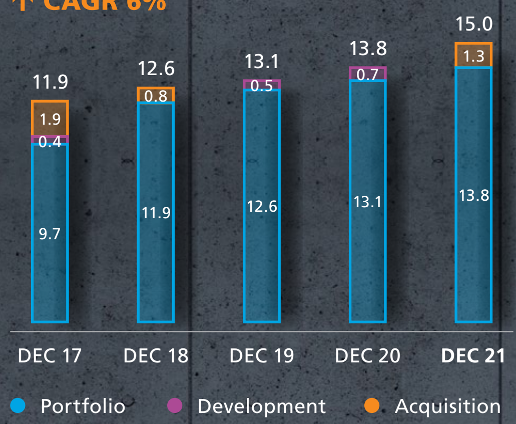
DPU[3]
(Singapore cents)
↑ CAGR 7%



ADJUSTED NAV[5]
(S$)
↑ CAGR 7%



COMPLETED FLOOR AREA
(Million sq ft)
↑ CAGR 6%



› For more details on our performance, go to pages 54 - 59.

NOTE:
With effect from 1 April 2019, a-iTrust's financial year end was changed from 31 March to 31 December. Calendar Year (CY) figures for 2017 to 2019 are used solely for comparative purposes only.

1 Impacted by lower utilities income with the phasing out of the Dedicated Power Plant in International Tech Park Bangalore. Property expenses also reflected a corresponding decrease due to lower utilities expenses.
2 Impacted by lower utilities and carpark income due to COVID-19 pandemic.
3 Refers to distribution per unit post retention of 10% of income.
4 Decrease in CY 2021 is mainly due to the absence of reversal of dividend distribution tax provision present in CY 2020.
5 Adjusted net asset value per unit. Excludes deferred income tax liabilities on capital gains due to fair value revaluation of investment properties.

MARCH

- Completed the acquisition of aVance 6, a fully operational and tenanted IT SEZ building in HITEC City, Hyderabad.
- Made our first foray into the industrial asset class through a proposed acquisition of an Industrial Facility at Mahindra World City, Chennai via a forward purchase.

Artist's impression of Industrial Facility at Mahindra World City, Chennai

- Announced the proposed acquisition (via a forward purchase) of 1.65 million sq ft of an IT Park at Hebbal, Bangalore. This marks a-iTrust's first investment into this micro-market.

APRIL

- a-iTrust's Annual General Meeting was held virtually and all resolutions were approved by Unitholders.
- Obtained a-iTrust's first S$100 million Sustainability-Linked Loan (SLL), enhancing our commitment to sustainability.
- Organised a 2-day free vaccination camp at International Tech Park Bangalore. This is the first of many vaccination drives a-iTrust organised within its properties for employees, family members of employees, tenants and service providers.

AUGUST

- Achieved significant improvement in SGTI 2021[1] to attain a ranking of 7th place out of 43 REITs[2] and business trusts.

OCTOBER

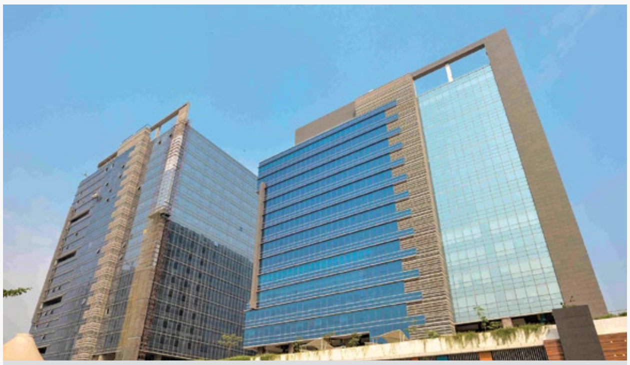
- a-iTrust, through CapitaLand Hope Foundation, launched the first Hope School in Mahadevapura, Bangalore to provide over 400 primary school children from low-income families with access to education.

Hope School in Mahadevapura, Bangalore

- Completed the acquisition of site for the development of a data centre campus in Navi Mumbai, India. This is a-iTrust's first foray into data centre.
- Obtained new S$150 million SLL.

NOVEMBER

- Cessation of Mr Tan Choon Siang as Chief Financial Officer with effect from 1 November 2021.
- Appointment of Mr Cheah Ying Soon as Chief Financial Officer with effect from 1 November 2021.
- Formation of Nominating and Remuneration Committee with effect from 1 November 2021.
- Completed the acquisition of Building Q1 in Aurum Q Parc at Navi Mumbai.



Building Q1 in Aurum Q Parc at Navi Mumbai

DECEMBER

- Carried out additional building enhancements in 2021. During the year, seven of our existing buildings were upgraded to "Platinum" or "Gold" green ratings. As at 31 December 2021, 25 of a-iTrust's buildings have "Platinum" or "Gold" green certifications.

1 Refers to Singapore Governance and Transparency Index 2021 – REIT and Business Trust Category.
2 Real Estate Investment Trusts.

a-iTrust will continue to build on our portfolio resilience to counter any uncertainties going forward. We will diversify to include new asset classes and promising micro-markets even as we remain focused on nurturing strong tenant relationships to attract and retain quality tenants in our existing portfolio.

CHIANG CHIE FOO
CHAIRMAN &
NON-EXECUTIVE
INDEPENDENT DIRECTOR

Dear Unitholders

Ascendas India Trust (a-iTrust) continued to face a challenging operating environment in 2021 as India and the rest of the world navigate the fluid COVID-19 situation. India underwent state-wide lockdowns between April and June 2021 to curb a severe second wave of the COVID-19 outbreak, before progressively reopening across states. While the resurgence of COVID-19 cases due to Omicron in early 2022 may, for the moment, stymie the good progress previously made in its fight against COVID-19, India is now more prepared and continues to actively vaccinate its population. The India economy contracted by 7.3%[1] in fiscal year 2020/21. Economic recovery is expected in fiscal year 2021/22 with growth projected at 9.0%[1].

Since the onset of the COVID-19 pandemic, a-iTrust has been fully committed in safeguarding the health and safety of our tenants and other stakeholders within our properties, and in ensuring business continuity. We have stepped up on our efforts to engage and support our tenants, actively undertake asset enhancements, and strategically diversify to include promising micro-markets and new economy asset classes in our portfolio. Going forward, we will continue to face uncertainties with emerging variants of concerns and as governments work to balance economic and safety considerations. The Trust will continue to strengthen our resilience to navigate through these challenging times and emerge stronger through portfolio diversification, a healthy growth pipeline and sustainable growth.

FY 2021 OPERATIONAL AND FINANCIAL REVIEW

Through active tenant engagement, we have leased and renewed approximately 2.8 million sq ft of space in 2021. a-iTrust's committed portfolio occupancy stood at 87% as at 31 December 2021. Despite the subdued leasing market in 2021, our portfolio rental reversion remains positive at 5.5%. Office rental collections are also healthy at 98%[2]. We are encouraged by the early signs of increasing leasing interest with 0.2 million sq ft of new leases[3] committed in January 2022. We are actively engaging existing and prospective tenants to provide customised real estate solutions suited for their business and growth needs and expect leasing momentum to pick up in 2022.

Our parks remained open throughout the year to support our tenants' operations. Rent reliefs were provided primarily to our retail tenants on a case-by-case basis to help them ride out this uncertain period together. We continue to maintain high health and safety standards and apply enhanced safety measures, including contactless technologies, in all our parks. After the worst of the second wave, we witnessed a gradual increase in physical occupancy across our business parks. About 11% of the park population has returned by end of December 2021. Uncertainty over tenants' return to the park may continue with the fluid situation surrounding the outbreak of Omicron variant. Nevertheless, we are closely monitoring and supporting our tenants' plans for their return to office.

Despite the challenging operating environment, net property income (NPI) for a-iTrust grew by 5% to S$155.7 million for the financial year ended 31 December 2021 (FY 2021). Acquisition of the aVance 6 building in Hyderabad in March 2021, full year income contribution from the Anchor Annex building in Bangalore completed since November 2020, and lower property expenses helped overcome the impact of lower portfolio occupancy to NPI. FY 2021 DPU[4] was 11% lower at 7.80 Singapore cents. The decrease in DPU was largely due to the absence of a one-off reversal of dividend distribution tax in the previous year, increased finance costs due to additional debt for new investments, partially offset by the increase in NPI. Overall, total returns to our unitholders over the last five years stands at 12% per annum[5].

1 International Monetary Fund World Economic Outlook Update, January 2022.
2 4Q FY 2021 billings collection status as at 31 January 2022. Figure does not include collections for Building Q1 in Aurum Q Parc which was acquired in late 2021.
3 Figure as at 31 January 2022.
4 Refers to distribution per unit post retention of 10% of income.
5 Calculated based on the aggregate of share price appreciation for the past 5 years up to 31 December 2021 of S$1.42 and DPU paid to Unitholders for the same period, expressed as an annualised percentage.

STRENGTHENING PORTFOLIO RESILIENCE THROUGH DIVERSIFICATION

As at 31 December 2021, a-iTrust's total investment properties[6] increased by 18% to S$2.4 billion through a combination of new acquisitions and a 9% year-on-year increase in portfolio valuation.

The accelerating efforts for digital transformation, surge in e-commerce, cloud services and other emerging technologies globally have brought about opportunities and increasing demand for the services from many of our tenants. IT spending in India is forecasted to increase by 7% to US$101.8 billion in 2022[7]. Numerous IT/ITES companies have reported strong earnings and robust hiring plans. While companies may adopt a hybrid workplace approach, tenants' expansion in headcounts, need of collaborative space and India's infrastructure constraints give us conviction in the continued demand for office space and the long-term resilience of our business park portfolio. We will strengthen our business park portfolio through diversification in suitable new promising micro-markets. In November 2021, a-iTrust gained an operating presence in the strategic IT corridor of Navi Mumbai by acquiring a 0.62 million sq ft multi-tenanted IT SEZ building at an attractive valuation.

To build an even more resilient portfolio, a-iTrust has diversified through strategic investments in two new asset classes: data centre and industrial. India's data centre demand is expanding rapidly due to higher digital usage from an expanding user base, as well as anticipated data storage demand onshore. The "Make in India" campaign[8] and India's potential opportunity to benefit from the relocation and geographical diversification of China-based manufacturing companies currently based elsewhere is assessed to provide a boost to its manufacturing sector. On the back of these emerging trends, a-iTrust entered into a forward purchase agreement in March 2021 for the acquisition of a 0.42 million sq ft fully pre-leased industrial facility at Mahindra World City, Chennai. In October 2021, a-iTrust completed the land acquisition of a 6.6-acre greenfield site in Airoli, Navi Mumbai for the development of the Trust's first fully-fitted data centre campus[9]. The Trust has also identified potential sites within its existing IT parks in Bangalore and Hyderabad to develop data centres. We will deepen our investments in these new economy asset classes.

HEALTHY GROWTH PIPELINE

a-iTrust's net leasable area for its completed properties have grown by 9% to 15.0 million sq ft in the past year from third-party acquisitions of two quality operating IT SEZ buildings in Hyderabad and Mumbai respectively. The Trust has committed third-party forward purchases of close to 8.4 million sq ft spread across Bangalore, Chennai, Hyderabad, Mumbai and Pune to be acquired over the next few years.

As at 31 December 2021, a-iTrust has total development potential of 8.3 million sq ft for its existing land bank. In addition to the ongoing ITPH Redevelopment Phase I targeted for completion in 2023 and the Phase 1 of the Navi Mumbai data centre development, which is expected to complete in 2024, a-iTrust is closely evaluating the next phases of development of the remaining land bank.

a-iTrust's portfolio area would grow by around 68% to 25.2 million sq ft based on these committed growth pipelines. Further, a-iTrust may acquire from its Sponsor stabilised, quality income-producing business parks and logistics assets in key cities such as Pune and Chennai.

SUSTAINABLE GROWTH

The Board is firmly committed to sustainability. We will embed environment, social and governance (ESG) considerations in all aspects of our business, to deliver sustainable returns for our Unitholders. In SGTI 2021[10], a-iTrust achieved great improvement to attain a ranking of 7th place out of 43 REITs[11] and

6 Includes investment properties under construction.
7 Source: Gartner, 1 December 2021.
8 Refers to an initiative by the Government of India since September 2014 to encourage companies to develop, manufacture and assemble products made in India, and incentivise dedicated investments into manufacturing.
9 Total potential built-up area of up to 575,000 sq ft and up to 90 megawatts of sanctioned power.
10 Refers to Singapore Governance and Transparency Index 2021 – REIT and Business Trust Category.
11 Real Estate Investment Trusts.

business trusts. The Trust entered into new sustainability-linked loans totalling S$250 million in FY 2021, which is close to a quarter of our overall borrowings. We have plans for more sustainability-linked financing in the coming year.

In line with our green efforts, we have carried out additional building enhancements in 2021 which saw an upgrade to seven of our existing buildings to "Platinum" or "Gold" green ratings. Plans are underway to further increase our parks' usage of renewable energy. We have installed solar rooftops on all a-iTrust's IT parks, other than for ITPH which is currently undergoing redevelopment.

We believe deeply in engagement with our stakeholders, including employees, tenants, service partners and the local community. To forge stronger relationships with our tenants and local community, we have held various community involvement initiatives. These include virtual events, health-related awareness sessions, as well as working with the government to facilitate the conduct of vaccination drives across all our parks for employees, service partners, tenants and their families throughout the year. At the height of the second wave of COVID-19 situation, we also provided medical supplies and were involved in the setting up of a temporary COVID-19 Care Centre within our park in Bangalore.

LOOKING AHEAD

a-iTrust will continue to build on our portfolio resilience to counter any uncertainties going forward. We will diversify to include new asset classes and promising micro-markets even as we remain focused on nurturing strong tenant relationships to attract and retain quality tenants in our existing portfolio. We will leverage on the Sponsor's deep expertise in different geographies and asset classes within India. a-iTrust is also aligned with CapitaLand's Sustainability 2030 Masterplan. We are confident that this balanced strategy together with our Sponsor's strong support will allow a-iTrust to become a larger, more resilient and greener entity, and this will provide our Unitholders with sustained value in the long-term.

ACKNOWLEDGEMENTS

On behalf of the Board and Management, I would like to thank our dedicated teams for their diligence, adaptability and commitment to excellence in these difficult times. To our Unitholders, tenants, business partners and all stakeholders, thank you for your confidence and trust in us. a-iTrust has made good progress and grew while navigating the many challenging times in the past 15 years since its listing on the Singapore Exchange (SGX-ST), and we will continue to do so. We appreciate and look forward to your continued strong support.

CHIANG CHIE FOO
Chairman & Non-Executive Independent Director

In Conversation with CEO

We continue to tap on value-accretive acquisition opportunities to deliver sustainable long term returns to Unitholders.

SANJEEV DASGUPTA
CHIEF EXECUTIVE OFFICER
& EXECUTIVE NON-INDEPENDENT DIRECTOR

Business Park leasing demand appears to be relatively subdued in 2021 which affected a-iTrust's overall committed portfolio occupancy. Why did a-iTrust choose to acquire a new building in Navi Mumbai during this period?

Our existing overall committed portfolio occupancy declined during the year to 87% mainly due to the decrease in occupancy of ITPC and CyberVale. If ITPC and CyberVale were excluded, the committed portfolio occupancy would be 91%. The decrease in occupancy is partly attributable to non-renewals planned by some tenants before the COVID-19 pandemic started, as well as some terminations due to impact of COVID-19 on businesses. In ITPC, we have also proactively terminated space previously leased to a hotel operator and a food court operator, as part of our asset management strategy to repurpose and improve these spaces to increase rental revenue. The pace of lease termination has slowed, and we have started to sign new leases including 0.2 million sq ft committed in January 2022. We are working closely with tenants and brokers to fill vacant spaces across our business parks.

Despite short-term uncertainties around Work From Home (WFH), there remains strong demand for Indian IT offshoring services from global companies. In view of robust hiring plans by technology companies which are reporting stronger earnings and order books, as well as requirements of physical space for collaboration even under hybrid workplace arrangements, we are confident of the resilience of the business park sector in India. As part of our investment strategy to build portfolio resilience and growth, we continue to pursue long-term value-accretive opportunities in attractive new micro-markets. This provides tenants with more locational options, and improves our diversified tenant base. We have a healthy growth pipeline for business parks through our committed third-party forward purchases and Sponsor assets spread across cities such as Bangalore, Hyderabad, Mumbai and Pune.

Building Q1 in Aurum Q Parc (the Property) is a quality IT SEZ building which we acquired in November 2021 at an attractive valuation of INR3.61 billion, as part of our earlier forward purchase agreement. As at end December 2021, valuation of the Property increased by 11% to INR3.99 billion. Acquiring this Property allows us to gain an operational presence in Mumbai, which is India's financial capital and one of the fastest growing cities in India. Navi Mumbai enjoys excellent infrastructure connectivity and is home to large corporate campuses and business parks. While we were originally scheduled to acquire the Property by August 2020, we awaited stabilisation of the situation surrounding the COVID-19 pandemic. While Building Q1's leasing commitment is below the portfolio average, we expect the Property to be substantially leased by 2023. Moving forward, we will continue to focus on enhancing the competitiveness of our business parks and distinguishing ourselves from our competitors.

Why did a-iTrust invest in a data centre development instead of an operational data centre asset?

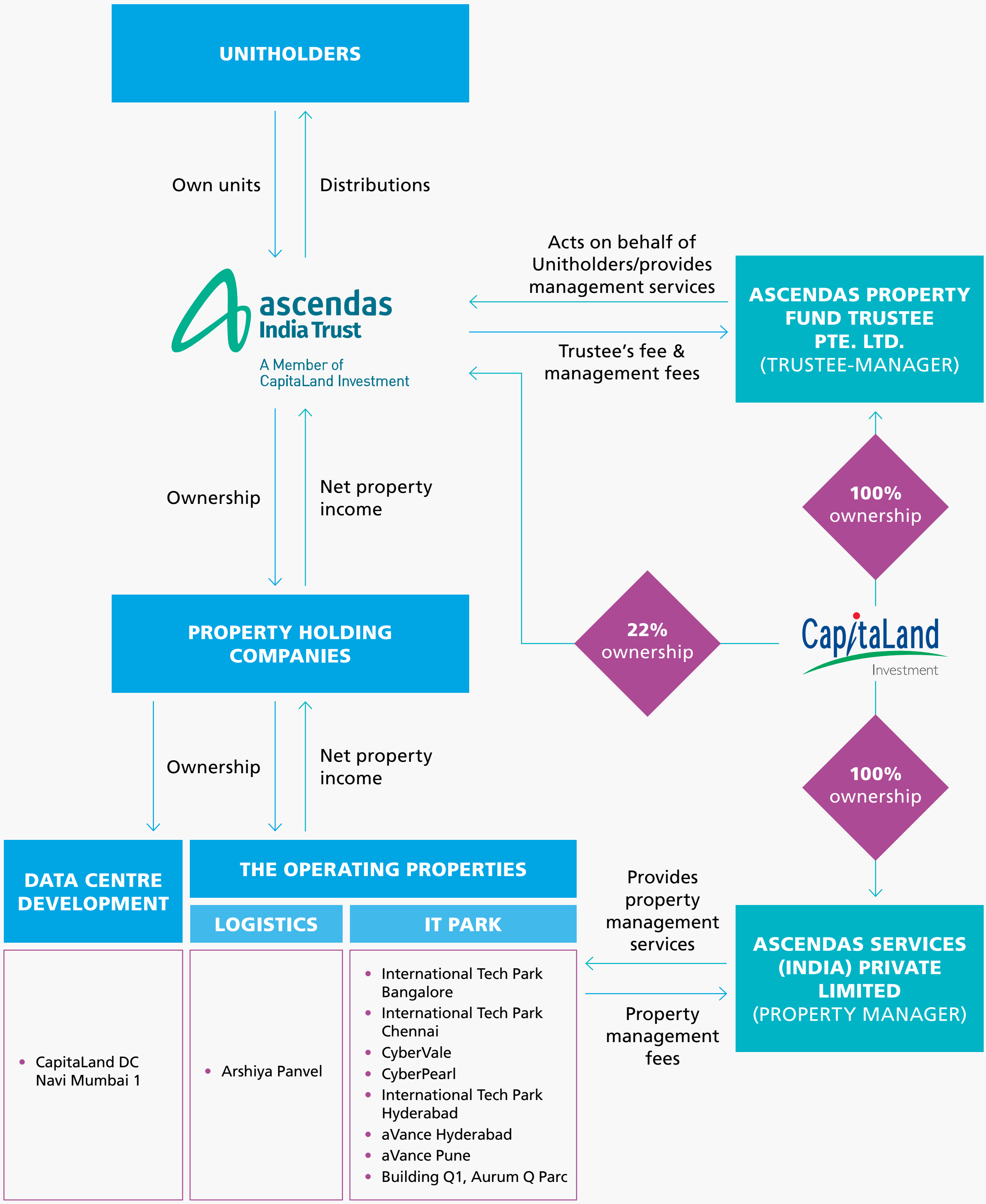
The data centre space in India is heating up due to a confluence of factors: high growth market with a large and growing user base, global acceleration in adoption of technologies such as 5G, Internet of Things, digital payment, and laws and increasing trends for data localisation. State-of-the-art data centres at the right value are difficult to come by in the existing India market. By developing our own data centre campus, we retain complete control over the design and quality of the asset, specifically in adopting sustainable design principles and green building standards. We are also positive that while there may be a higher degree of risks associated with developments, given our long development experience in India and the favourable data centre demand, we can achieve healthy risk-adjusted returns for the Trust. a-iTrust can leverage its own land acquisition and development skills along with the Sponsor's competencies in data centre design, development and operations. While our maiden investment in the data centre asset class is through a greenfield development, we are open to future acquisition of existing and quality data centre assets that have value-accretive opportunities. We are also exploring the possibility of data centre developments within our current portfolio to accelerate our growth in this asset class.

What are your plans for a-iTrust in the next three years?

Our focus for the upcoming few years would be to expand the business park portfolio to other attractive micro-markets and accelerate our diversification in logistics/industrial and data centre asset classes which are seeing strong growth from the global push for digitisation, e-commerce boom and growth of manufacturing in India. We continue to tap on value-accretive acquisition opportunities to deliver sustainable long term returns to Unitholders. We continue to forge enduring relationships with our tenants and provide them with customised real estate solutions that include focus on safety, sustainability, and flexibility. We also continue to enhance our ESG efforts for existing properties to further reduce our environmental footprint.

Trust & Organisation Structure

AS AT 31 DECEMBER 2021



Trust & Organisation Structure

AS AT 31 DECEMBER 2021

TRUST OVERVIEW

Enhanced Stability

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

- adherence to safeguarding provisions on allowable investments as defined under Monetary Authority of Singapore's Property Funds Appendix;
- gearing ratio capped at 50%[1];
- property development activities limited to 20% of Trust property; and
- minimum 90% of distributable income to be distributed.

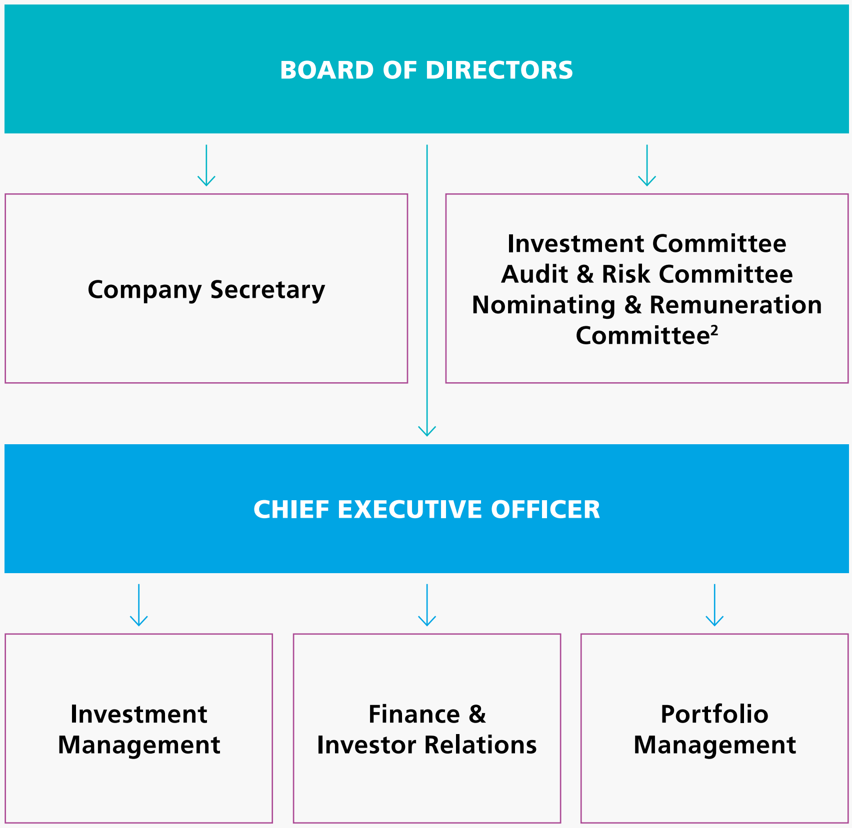
Tax-exempt Distributions

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

Asset and Property Management

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

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



› For more details on the Board of Directors, go to pages 14 - 19.
› For more details on the Trustee-Manager, go to pages 20 - 22.

1 As provided under Appendix 6 of the Code on Collective Investment Schemes. Prior to 1 January 2022, the gearing ratio is capped at 50%. From 1 January 2022, the gearing ratio is capped at 45% but may exceed 45% (up to a maximum of 50%) only if the Trust has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

2 Established with effect from 1 November 2021.

Board of Directors

CHIANG CHIE FOO
Chairman
Non-Executive Independent Director

MANOHAR KHIATANI
Deputy Chairman
Non-Executive Non-Independent Director

ZIA JAYDEV MODY
Non-Executive Independent Director

ERNEST KAN YAW KIONG
Non-Executive Independent Director

Board of Directors

SANJEEV DASGUPTA
Chief Executive Officer
Executive Non-Independent Director

ALAN RUPERT NISBET
Non-Executive Lead Independent Director

TAN SOON NEO JESSICA
Non-Executive Independent Director

JONATHAN YAP NENG TONG
Non-Executive Non-Independent Director

CHIANG CHIE FOO, 65

Chairman
Non-Executive Independent Director

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

Date of first appointment as a Director
1 April 2016
Date of appointment as Chairman
8 July 2016
Length of service as a Director (as at 31 December 2021)
5 years and 9 months

Board committee served on
- Nominating and Remuneration Committee (Chairman)

Present directorship in other listed company
- ComfortDelGro Corporation Limited

Present principal commitments
- Asia Pacific Breweries Foundation (Member, Board of Trustee)
- Lee Kuan Yew Exchange Fellowship (Director)
- Ministry of Defence (Senior Advisor)
- PUB, Singapore's National Water Agency (Chairman)
- Epworth Community Services (Board Member)
- AETOS Holdings Pte Ltd (Chairman)

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

Background and working experience
- Permanent Secretary, Ministry of Defence (from 2004 to 2013)
- Permanent Secretary, Prime Minister's Office (from 2005 to 2011)

MANOHAR KHIATANI, 62

Deputy Chairman
Non-Executive Non-Independent Director

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

Date of first appointment as a Director
1 June 2013
Length of service as a Director (as at 31 December 2021)
8 years and 7 months

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

Present directorships in other listed companies
- SIA Engineering Company Limited
- Ascendas Funds Management (S) Limited (manager of Ascendas Real Estate Investment Trust)

Present principal commitments
- CapitaLand Investment Limited (Senior Executive Director)
- Singapore Economic Development Board (Special Advisor to Chairman)
- CLI FM Pte Ltd (Director)
- CLI India Pte Ltd (Director)
- Nusajaya Tech Park Sdn Bhd (Director)
- Singapore Amaravati Investment Holdings Pte Ltd (Director)
- Building and Construction Authority (Board Member)
- Institute of Real Estate and Urban Studies (Board Member)
- Singapore Business Federation, South Asia Business Group Executive Committee (Vice Chairman)
- Singapore Business Federation, Malaysia Singapore Business Council (Member)
- Singaporean-German Chamber of Industry and Commerce, Advisory Council (Member)
- EDB Society (President)
- Directorships in other CapitaLand Investment Group companies

Past directorships in other listed companies held over the preceding three years
- Ascendas Hospitality Fund Management Pte Ltd (manager of Ascendas Hospitality Real Estate Investment Trust[1])
- Ascendas Hospitality Trust Management Pte Ltd (trustee-manager of Ascendas Hospitality Business Trust[1])

Background and working experience
- Senior Executive Director, CapitaLand Group (from July 2019 to September 2021)
- Deputy Group CEO, Ascendas-Singbridge Pte Ltd (from January 2016 to June 2019)
- President & Chief Executive Officer, Ascendas Pte Ltd (from May 2013 to December 2015)
- Chief Executive Officer, JTC Corporation (from October 2009 to April 2013)
- Deputy/Assistant Managing Director, Economic Development Board (from February 2007 to September 2009)
- Director, Economic Development Board (from May 1999 to February 2007)

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

SANJEEV DASGUPTA, 54

Chief Executive Officer
Executive Non-Independent Director

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

Date of first appointment as a Director
1 October 2014
Length of service as a Director (as at 31 December 2021)
7 years and 3 months

Present directorship in other listed company
- Nil

Present principal commitment
- Chief Executive Officer, Ascendas Property Fund Trustee Pte. Ltd. (Trustee-Manager of Ascendas India Trust)

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

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

ALAN RUPERT NISBET, 71

Non-Executive Lead Independent Director

- Diploma in Business Studies, Accounting from the Caulfield Institute of Technology, Melbourne
- Fellow, Institute of Singapore Chartered Accountants

Date of first appointment as a Director
30 September 2015
Length of service as a Director (as at 31 December 2021)
6 years and 3 months

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

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

Present principal commitment
- Standard Chartered Bank (Singapore) Limited (Director)

Past directorship in other listed company held over the preceding three years
- KrisEnergy Ltd (in liquidation)

Background and working experience
- Principal, Kanni Advisory (from June 2011 to December 2019)
- Partner and Audit Leader, Deloitte & Touche LLP (from January 1989 to May 2011)

ZIA JAYDEV MODY, 65

Non-Executive Independent Director

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

Date of first appointment as a Director
1 February 2018
Length of service as a Director (as at 31 December 2021)
3 years and 11 months

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

Present directorship in other listed company
- CLP Holdings Limited

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

Past directorship in other listed company held over the preceding three years
- The Hongkong and Shanghai Banking Corporation Limited

Background and working experience
- Founder and Senior Partner, AZB & Partners (from 2004 to present)

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

ERNEST KAN YAW KIONG, 64

Non-Executive Independent Director

- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Institute of Chartered Accountants in England & Wales
- Fellow, Association of Chartered Certified Accountants (UK)
- Fellow, CPA Australia

Date of first appointment as a Director
20 November 2020
Length of service as a Director (as at 31 December 2021)
1 year and 1 month

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

Present directorship in other listed company
- Nil

Present principal commitment
- Dr Ernest Kan Financial Advisory & Business Consulting

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

Background and working experience
- Chief Advisor (Capital Markets China), Singapore Exchange (from September 2018 to November 2020)
- Deputy Managing Partner, Deloitte & Touche LLP (as Partner from July 1994 to May 2018)

TAN SOON NEO JESSICA, 55

Non-Executive Independent Director

- Bachelor of Social Sciences (Honours), National University of Singapore
- Bachelor of Arts, National University of Singapore

Date of first appointment as a Director
20 November 2020
Length of service as a Director (as at 31 December 2021)
1 year and 1 month

Board committee served on
- Investment Committee (Member)

Present directorship in other listed company
- SATS Ltd.

Present principal commitments
- CGH Fund (Committee Member)
- East Coast Town Council (Chairman)
- Finance, Trade & Industry and Communications & Information Parliamentary Committees (Member)
- Parliament of Singapore (Member of Parliament, East Coast GRC)
- Parliament of Singapore (Deputy Speaker)
- Nanyang Polytechnic (Vice Chairman, Board of Governors)
- Nanyang Polytechnic Information Technology, Advisory Committee (Chairman)
- Raffles Medical Group Ltd (Director, Group Commercial)
- RM Network Pte. Ltd. (Director)
- Singapore Management University, The School of Information Systems (Member, Board of Advisors)

Past directorship in other listed company held over the preceding three years
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust[2])

Background and working experience
- Microsoft (from 2003 to 2016), holding various senior positions in Singapore and Asia Pacific region. Last position held was Managing Director, Microsoft Operations, Singapore.
- IBM (from 1989 to 2003), holding several senior positions in Singapore and Asia Pacific region. Last position held was Director, Networking Services, IBM Global Services, Asia Pacific.

Awards
- Singapore Computer Society IT Leader Award 2015

JONATHAN YAP NENG TONG, 54

Non-Executive Non-Independent Director

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

Date of appointment as a Director
8 July 2016
Length of service as a Director (as at 31 December 2021)
5 years and 5 months

Board committee served on
- Investment Committee (Member)

Present directorships in other listed companies
- CapitaLand Integrated Commercial Trust Management Limited (manager of CapitaLand Integrated Commercial Trust)
- CapitaLand Malaysia REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Trust)

Present principal commitments
- CapitaLand Investment Limited (CEO, Fund Management)
- Institute of South Asian Studies, National University of Singapore (Member, Management Board)
- REIT Association of Singapore (President, Executive Committee)

Past directorship in other listed company held over the preceding three years
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust[2])

Background and working experience
- President, CapitaLand Financial, CapitaLand Group (from July 2019 to September 2021)
- Group Chief Operating Officer, Ascendas-Singbridge Pte. Ltd. (from July 2018 to June 2019)
- Group Chief Financial Officer, Ascendas-Singbridge Pte. Ltd. (from September 2017 to June 2019)
- Chief Investment Officer and Head of Real Estate Funds, Ascendas-Singbridge Pte. Ltd. (from June 2015 to November 2017)
- Assistant Group Chief Executive Officer for Overseas Funds & India, Ascendas Pte. Ltd. (from July 2012 to May 2015)
- Head of Real Estate Funds, Ascendas Pte Ltd (from January 2008 to May 2015)
- Executive Director and Chief Executive Officer, Ascendas Property Fund Trustee Pte. Ltd. (from June 2007 to September 2014)

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

Trustee - Manager

SANJEEV DASGUPTA
Executive Director and
Chief Executive Officer

CHEAH YING SOON
Chief Financial Officer

ROHITH BHANDARY
Head, Investments

SUMIT GERA
Head, Portfolio Management

SANJEEV DASGUPTA

Executive Director and Chief Executive Officer

Mr Dasgupta is both an Executive Director and the Chief Executive Officer of the Trustee-Manager.

Mr Dasgupta has around 26 years of experience in the areas of real estate fund management, corporate finance, strategy and financial control. Prior to joining the Trustee-Manager, he was President of Real Estate at ICICI Venture Funds Mgmt. Co. Ltd. (ICICI Venture), a leading private equity fund manager in India. In that role, he was responsible for investments and portfolio management of the Real Estate funds of around US$600 million. Before joining ICICI Venture, he managed real estate investments of around US$430 million as Managing Director at Future Capital Real Estate, a leading real estate development-oriented fund manager. He led several landmark investments in metros such as Mumbai and Bangalore and in high growth tier 2 cities. His prior work experience included stints with organisations such as Tata Group and Merrill Lynch across India, Hong Kong and London.

Mr Dasgupta holds a Bachelor of Commerce from the Mumbai University, India and a Master of Business Administration from the London Business School, United Kingdom. He is a qualified Chartered Accountant and a Graduate Company Secretary, India.

CHEAH YING SOON

Chief Financial Officer

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

Mr Cheah has more than 20 years of experience in financial management, portfolio and asset management. Prior to his current appointment, he was a senior director of CapitaLand Investment Limited (CLI), overseeing asset management and investor reporting of private funds with assets located in Asia-Pacific. Prior to joining CLI in 2018, he held various positions with ARA Asset Management, responsible for financial reporting and portfolio management of private funds. Mr Cheah worked briefly in Alpha Investment Partners and was a senior finance manager at LaSalle Investment Management from 2006 to 2011, responsible for financial reporting of investments in the region. Mr Cheah started his career with CapitaLand Limited in 2000, and was selected for overseas secondment as finance manager to its offices in China for a period of over two years.

Mr Cheah holds a Master of Business Administration (Finance) from the Nottingham University. He also holds professional certificates issued by Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA).

ROHITH BHANDARY

Head, Investments

As Head, Investments, Mr Bhandary is responsible for developing and executing a-iTrust's investment and business development strategy. He leads the team in seeking asset acquisitions and development opportunities.

Mr Bhandary has over 23 years of work experience across real estate, private equity and corporate finance. His real estate experience spans across private equity, project finance and advisory. Prior to joining the Trustee-Manager, Mr Bhandary was co-head of Real Estate Investment Practice at ICICI Venture where he managed investments of about INR13 billion across multiple equity and debt real estate funds. His track record includes funds which have delivered a gross Internal Rate of Return of over 22%. Prior to joining ICICI Venture, Mr Bhandary was an Investment Principal at Actis India Real Estate Fund. Earlier, he worked with ICICI Bank in the Construction Realty & Funding group where he managed bank relationships with large real estate developers.

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

SUMIT GERA

Head, Portfolio Management

As Head, Portfolio Management, Mr Gera is responsible for managing asset performance and driving value creation of the a-iTrust portfolio.

Mr Gera has over 16 years of experience in pan-Asia real estate investments, fund and portfolio management. Prior to joining the Trustee-Manager, Mr Gera was Head of India Investments and Capital Partnerships at Ascendas-Singbridge Group. In this role, he was responsible for managing India focused private equity partnerships, and portfolio and investment management for the Group's India investments.

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

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

VINAMRA SRIVASTAVA

Chief Executive Officer
Ascendas Services (India) Private Limited

Mr Srivastava was appointed Chief Executive Officer of Ascendas Services (India) Private Limited with effect from 1 April 2018.

In this role, Mr Srivastava oversees corporate strategy, new investments, development management, leasing & marketing, operations, asset management, private fund management and strategic planning for growing CapitaLand Investment's business parks portfolio in India.

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

Prior to joining Ascendas-Singbridge Group, Mr Srivastava was a Principal with Roland Berger Strategy Consultants and his earlier experience includes stints with Arthur D. Little and Cisco Systems. He has long standing experience in strategy and operations across these firms, where he led projects primarily in Singapore, India, Southeast Asia, Europe Middle East, and Africa.

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

ANANTH NAYAK

Chief Financial Officer
Ascendas Services (India) Private Limited

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

He joined Ascendas-Singbridge Group in November 2018. He has spent over 25 years working in India across a diverse set of industries and has handled Finance for the most of his career.

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

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

MISSION

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

1 Investment Management	2 Asset Management	3 Capital Management
OBJECTIVE		
To develop or acquire quality assets which provide attractive cash flows, enhance earnings, and improve the diversification of the portfolio.	To ensure stable long term financial and operational performance of the properties.	To maintain a strong financial position as we grow the portfolio.
WHAT WE DO		
We grow by developing our land bank and acquiring stabilised properties from third parties and our sponsor.	We provide a clean, safe and high-quality working environment and nurture strong relationships and open communication with tenants.	We diversify our funding sources. We consider raising equity and debt to fund our growth, to maintain the Trust's gearing at an appropriate level. We also employ strategies to manage our exposure to interest rate, currency and liquidity risks.
› To read more, go to pages 30 - 33.	› To read more, go to pages 34 - 36.	› To read more, go to pages 37 - 39.

4 Risk Management

To optimise opportunities within the known and agreed risk appetite levels.

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

› To read more, go to pages 40 - 45.

5 Investor Relations

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

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

› To read more, go to pages 46 - 47.

6 Business Sustainability

To run our business in a sustainable and responsible manner.

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

› To read more, go to pages 62 - 103.

SOURCE: CBRE RESEARCH

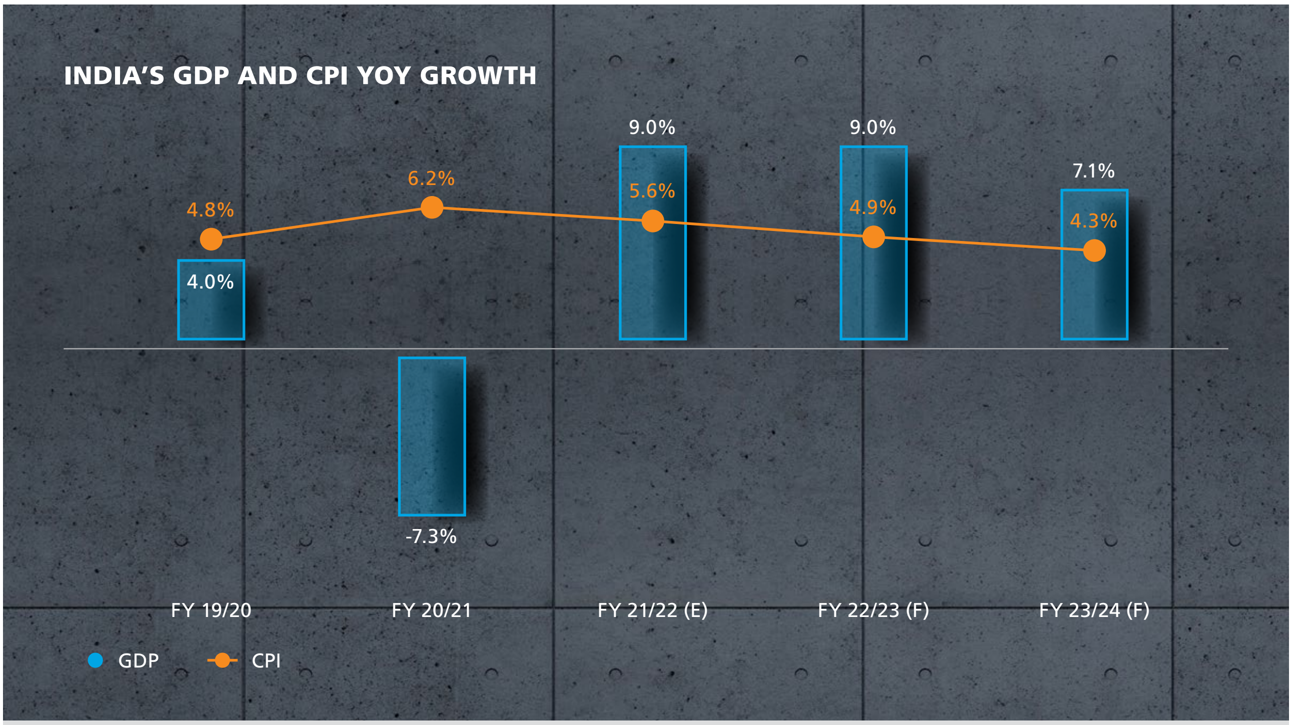
INDIA ECONOMIC OVERVIEW

India continues to be one of the fastest growing large economies in the world. Based on the International Monetary Fund (IMF) forecast of India's FY 21/22 GDP[1], India will be the sixth largest economy in the world and third largest economy in terms of purchasing power parity. With a fast-growing middle class and young population, India's economic growth is expected to continue over the coming years.

India is showing signs of recovery from the COVID-19 pandemic, with 20.1% YOY GDP growth in Q1 FY 21/22 and a slower 8.4% YOY GDP growth in Q2 FY 21/22 due to the second wave of the pandemic.

With efficient vaccination drives and relaxation of restrictions facilitating post-pandemic economic activities, IMF expects 9.0% YOY GDP growth for the full FY 21/22. The IMF further forecasts India's growth trajectory to continue over the coming years, forecasting 9.0% and 7.1% YOY growth for FY 22/23 and FY 23/24 respectively[3].

Consumer Price Index (CPI) stood at 5.6% as at December 2021[2], a decrease from 6.2% reported at the end of FY 20/21. CPI is forecasted to be 4.9%[1] in FY 22/23 and 4.3% in FY 23/24, both within the tolerance band of 4.0% ± 2.0% set by the Reserve Bank of India (RBI)[4].



Source: IMF, 2021

1 IMF World Economic Outlook, October 2021
2 Ministry of Statistics & Programme Implementation (MOSPI)
3 IMF World Economic Outlook, January 2022
4 RBI Annual Report FY 20/21

SOURCE: CBRE RESEARCH

IT INDUSTRY OVERVIEW

The table below highlights the Information Technology and Business Process Management (IT-BPM) industry performance over the years:

Particulars	Unit	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
IT-BPM Revenues*	US$ billion	154	167	177	191	196	227
IT-BPM Revenue Growth	%	8.6	8.0	6.1	7.7	2.3	15.5
Exports	US$ billion	116	126	136	147	151	178
Exports Growth	%	7.6	8.6	8.3	8.1	2.7	17.8
Exports as % of Total Revenues	%	75	75	77	77	77	78
Employment	Million	3.9	4.0	4.1	4.3	4.5	5.1
Increase in Employment	'000	170	105	135	205	138	445

* These values exclude revenues from the e-commerce sector
Source: NASSCOM, Department of Electronics & Information Technology (DeitY);

The National Association of Software and Services Companies (NASSCOM) recorded 15.5%[5] YOY revenue growth in IT-BPM industry in FY 21/22, due to increase in demand for digital transformation solutions, cloud-based artificial intelligence, analytics, automation, and platform-based services. The industry also registered 17.8% YOY growth in exports to approximately US$178 billion.

Accounting for 7.4%[5] of India's GDP, the IT-BPM industry continues to be a significant growth sector for India's economy amid the second wave of the COVID-19 pandemic, adding 445,000 net new hires in FY 21/22. NASSCOM's survey further indicates positive outlook through FY 22/23 as most companies plan to either maintain or increase their tech spending and hiring activities.

Key emerging challenges for the IT-BPM industry include political and economic uncertainty, as well as the introduction of potentially disruptive technologies.

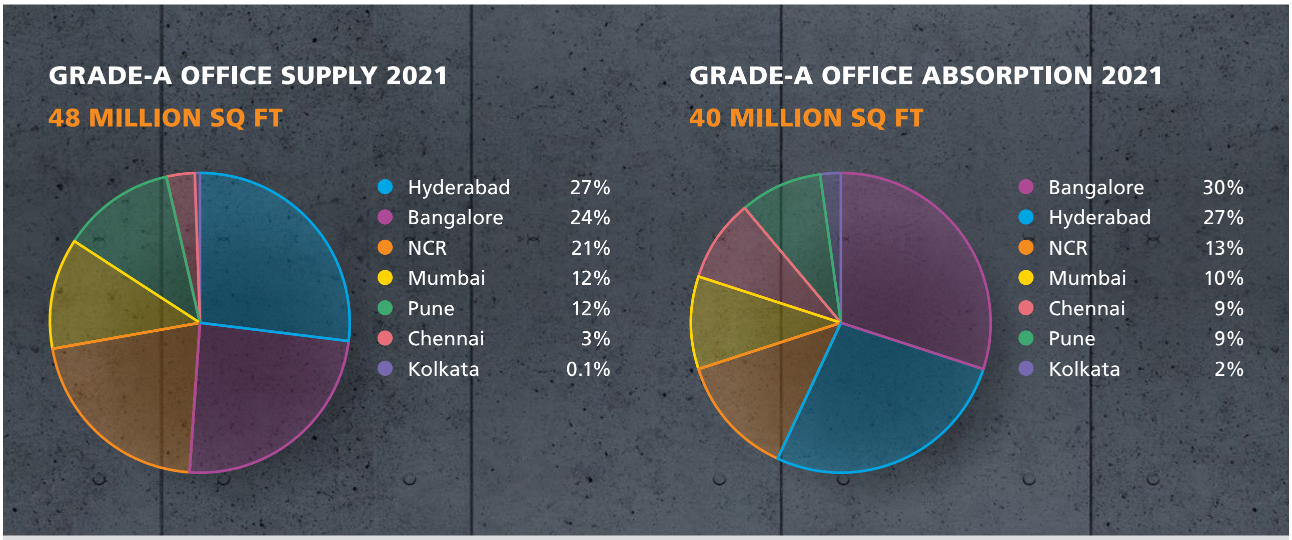
5 NASSCOM Strategic Review 2022

Market Review

SOURCE: CBRE RESEARCH

OFFICE MARKET OVERVIEW

India's office market is concentrated in seven key cities, where majority of investment-grade office stock is located.



Source: CBRE Research

Supply Trend

The Indian commercial office segment saw approximately 48 million sq ft of Grade-A supply across the seven key cities (Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune) in 2021. This represented an increase of 23.7% from 2020, mainly attributed to construction delays in 2020 due to the COVID-19 pandemic. Hyderabad and Bangalore constituted the highest supply addition of approximately 13 million sq ft and 11 million sq ft, respectively. Bangalore, Chennai, Hyderabad, Mumbai, and Pune, the cities where the Trust properties are located, collectively accounted for 78.8% of the supply in 2021. There continues to be a flight to quality as occupiers are willing to pre-commit to higher quality space across major markets.

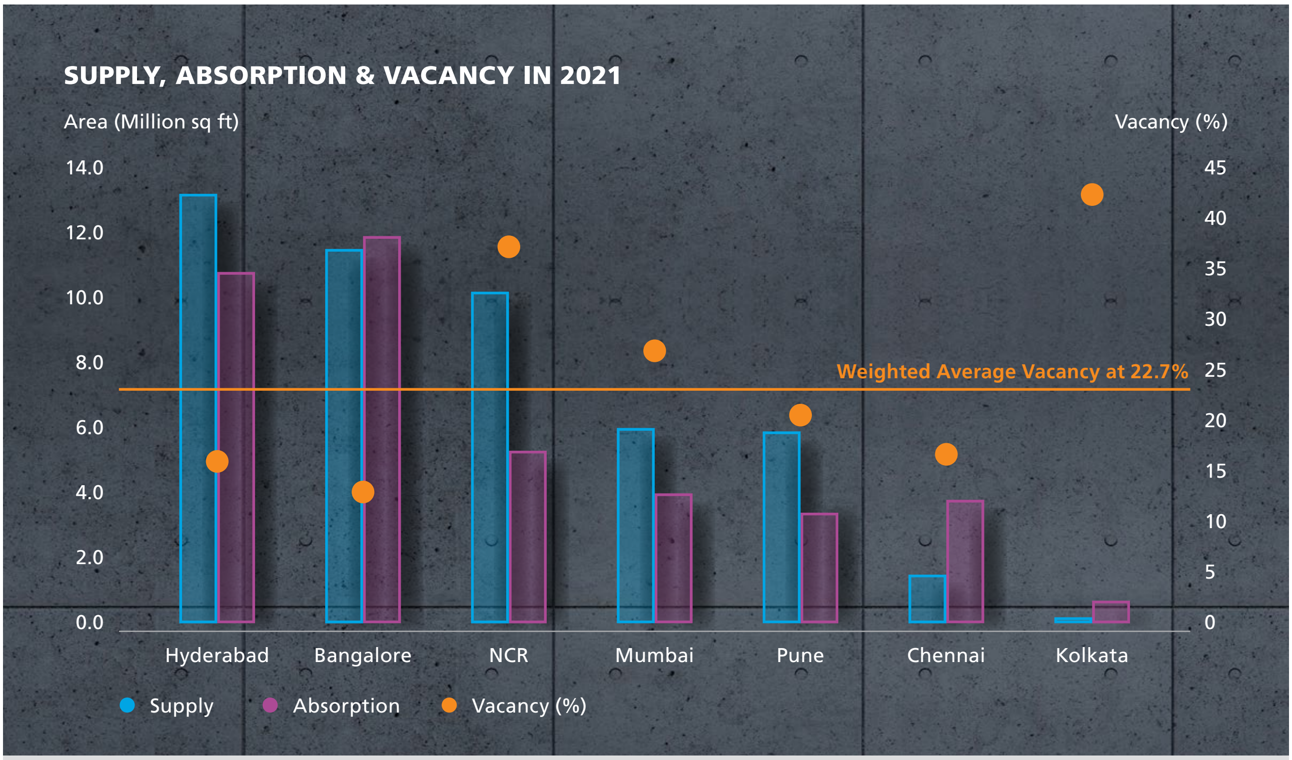
Absorption Trend

In 2021, commercial office absorption across the seven key cities was at approximately 40 million sq ft, a 15.0% increase compared to 2020, with the majority made up of pre-commitments and delayed leasing decisions from 2020. IT-BPM companies were the primary demand generators, contributing 31.0% of overall demand in the seven key cities. Engineering and manufacturing companies made up 14.7% of absorption, followed by coworking operators as well as banking, financial services and insurance businesses which accounted for 14.3% and 13.8% respectively.

Bangalore and Hyderabad accounted for the highest office space absorption among the seven key cities, at approximately 12 million sq ft and 11 million sq ft respectively. They were followed by NCR and Mumbai, which witnessed absorption of approximately 5 million sq ft and 4 million sq ft respectively.

Bangalore, Chennai, Hyderabad, Mumbai, and Pune, cities where the Trust properties are located, collectively registered a gross absorption of approximately 34 million sq ft, accounting for approximately 84.8% of the absorption in 2021.

SOURCE: CBRE RESEARCH



Source: CBRE Research

Vacancy Trend

The weighted average vacancy level across the seven key cities increased to 22.7% in December 2021 as compared to 19.6% in December 2020. This increase was attributed to higher supply additions compared with absorption in all major office markets, with Pune and NCR experiencing the highest increase in vacancy levels by 9.6% and 8.4% respectively. Kolkata and NCR reported the highest vacancy levels across the seven cities at 42.0% and 36.8% respectively.

Outlook

Approximately 53.0 million sq ft of supply is expected to be added across the seven cities in 2022, concentrated across secondary and periphery business districts due to limited developable land in the main micro-markets. With demand expected to pick up at a slower pace than supply additions, weighted average vacancy levels could further increase by 1-2% in 2022.

In February 2022, an upcoming reform to the Special Economic Zones (SEZ) Act was announced in the Union Budget FY 22/23[6]. Expected to come into effect in September 2022, the new legislation will enable states to become partners in the development of enterprise and service hubs, covering both existing and new industrial enclaves. The enforcement of this regulation is expected to improve the overall attractiveness of SEZ space, especially after the enforcement of the SEZ Sunset Clause in March 2020.

As the Indian Government relaxed COVID-19 restrictions following high vaccination rates and declining new cases, leasing activity is starting to recover. Many companies are now executing their real estate plans that were delayed from 2020, with demand focused on quality assets, workplace safety and wellness. The IT-BPM sector remains one of the largest space occupiers in India and many have started to plan the return of their employees to office.

Overall, given India's position as a preferred business delivery centre, supported by cost-competitive skilled manpower, attractive office rentals and steady infrastructure development, we foresee healthy demand outlook for the commercial office space market in the coming years.

6 Budget 2022 Announcement

OVERVIEW

Objective

Our investment management objectives are focused on maximising returns and optimising risk by:

- progressively developing the Trust's land bank, taking into consideration market conditions and leasing demand; and
- acquiring quality assets which provide attractive cash flows, enhance earnings, and strategically diversify the portfolio, when necessary.

DEVELOPMENT STRATEGY

Since listing, a-iTrust has developed 5.6 million sq ft of commercial space from its land bank. The Trust continues to hold substantial land in Hyderabad, Bangalore, Chennai and Navi Mumbai, with total development potential of 8.3 million sq ft[1].

In Hyderabad, we are redeveloping International Tech Park Hyderabad (ITPH) to maximise the leasable space, rejuvenate the park, and leverage on the growth of leading US and Indian tech companies in Hyderabad. The redevelopment of ITPH would unlock significant value for Unitholders as it increases the development potential without incurring incremental land cost. We are redeveloping ITPH in phases over the next seven to ten years to increase the leasable area from 1.5 million sq ft[2] to 5.7 million sq ft. Under Phase I, a new 1.4 million sq ft multi-tenanted building is in progress. The construction is expected to be completed by the first quarter of 2023. We are evaluating a revised master plan to accommodate development of a data centre in place of Mariner building.

In Bangalore, the remaining 3.1 million sq ft of development potential within ITPB will be developed in phases over the coming years. We have identified the site for development of a data centre within ITPB.

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

In Navi Mumbai, we will be developing a data centre on a 6.6 acre site with the total development potential (Phase 1 and Phase 2) being 0.58 million sq ft and 90 MW sanctioned power capacity. Phase 1 of the project with a built-up area of 0.33 million sq ft is scheduled to be ready by the third quarter of 2024.

ACQUISITION STRATEGY

Building Q1, Aurum Q Parc, which was acquired in 2021

We pursue acquisitions that offer attractive cash flows and returns relative to a-iTrust's weighted average cost of capital. We seek acquisitions that enhance the diversification of the portfolio and optimise risk-adjusted returns to Unitholders. We have acquired 6.0 million sq ft of leasable area since listing.

A critical part of our acquisition strategy is to diversify our revenue streams from multiple asset classes. While IT/ITES office space continues to be a key segment, we are also increasing our focus on other fast-growing segments like data centres, logistics and industrial assets.

We are targeting to acquire a 0.3 million sq ft warehouse at the Arshiya Free Trade Warehousing Zone (FTWZ) located at Panvel, near Mumbai, adjacent to our current warehouses in the Arshiya FTWZ. We are also actively evaluating other

1 Includes buildings under construction and additional development potential of 0.7 million sq ft in ITPH due to revised building height approvals.
2 Excludes Auriga building of 0.2 million sq ft which was demolished.

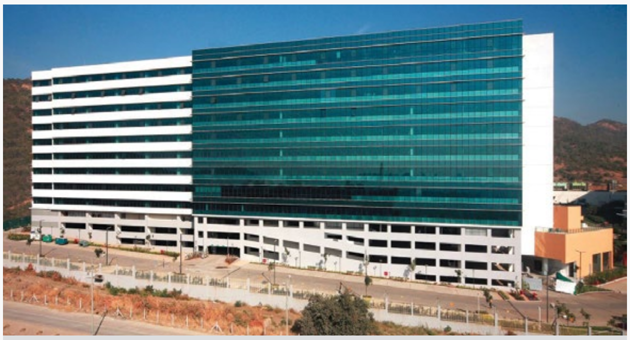
logistics/warehousing opportunities across India. We are sharpening our focus on the industrial asset segment to capitalise on the growing demand from companies looking to set up manufacturing facilities in India. In 2021, we made our first investment into the industrial asset segment by commencing construction funding for a 0.4 million sq ft industrial facility at Mahindra World City in Chennai.

We have targeted Bangalore, Chennai, Hyderabad, Mumbai, NCR (comprising Delhi, Gurgaon and Noida) and Pune for new acquisitions in the IT/ITES spaces. These cities were chosen because of their base of established IT firms and sizeable pool of talented workforce. We are actively targeting logistics/ industrial locations in the outskirts of Mumbai, Chennai, Bangalore, Hyderabad and NCR.

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

We focus on the following criteria when evaluating new acquisitions:

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


Juniper building, International Tech Park Pune

Sponsor Pipeline

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

- CLI India, which holds majority stake in International Tech Park Pune, an IT SEZ in Pune, with 2.3 million sq ft of completed space; and
- Ascendas-Firstspace platform (ASB FS), a joint venture between CLI and Firstspace Realty for investments in logistics and industrial infrastructure.

CLI has granted a-iTrust the Right of First Offer (ROFO) to acquire its stake from the following entity, upon project completion and stabilisation:

- Ascendas India Growth Programme (AIGP), a real estate investment programme that targets business space developments. CapitaLand India owns a stake of 30% in AIGP.

Forward Purchase

a-iTrust has invested in forward purchase deals where the initial funding is structured in the form of debt with security of the underlying land, assets under construction and receivables. The security package typically also includes pledge of the shares of the project Special Purpose Vehicle (SPV). Active project monitoring is done by our appointed in-house team to monitor timelines and quality specifications.

The deal structure helps the developer to complete financial closure and a-iTrust has been able to acquire properties at reasonable valuations. This structure is expected to continue to provide a-iTrust with a pipeline of opportunities at strategic locations.

In November 2021, we completed the acquisition of Building Q1 in Aurum Q Parc, a 0.62 million sq ft IT SEZ building in Navi Mumbai which is part of our committed forward purchase pipeline from Aurum Group, for a gross consideration of INR 3.53 billion[1].

A list of the committed forward purchase transactions is given in the table below:

Committed Pipeline[i]

Asset Class	Project Name	Location	Building	Estimated Floor Area (million sq ft)	Expected Total Consideration[ii]	Expected Time of Completion/Status
IT Park	aVance Hyderabad	HITEC City, Hyderabad	aVance 5	1.16	₹8.4 billion (S$168 million)	1H 2022
	aVance Business Hub 2	HITEC City, Hyderabad	A1	0.83	₹6.5 billion (S$129 million)	2H 2024
			Development Potential	3.73	To be finalised	Development timelines to be finalised
	Aurum Q Parc	Ghansoli, Navi Mumbai	Building Q2	0.85	₹5.4 billion (S$108 million)	Occupancy Certificate received
	BlueRidge 3	Hinjawadi, Pune	Phase 1	1.35	₹10.3 billion (S$204 million)	1H 2022
			Phase 2	0.56		1H 2025
	Gardencity	Bellary Road, Bangalore	Project I	1.26	₹11.2 billion (S$209 million)	2H 2024
			Project II	0.39	₹3.2 billion (S$59 million)	2H 2024
Logistics Park	Arshiya Panvel	Panvel, near Navi Mumbai	7th Warehouse	0.33	₹2.1 billion (S$42 million)	Occupancy Certificate received
			Development Potential	2.47	To be finalised	Development timelines to be finalised
	Arshiya Khurja	Khurja, NCR	1 Warehouse	0.19	₹1.0 billion (S$19 million)	Upon completion of Conditions Precedent
Industrial	Casa Grande – Phase 1	Mahindra World City, Chennai	1 Industrial Facility	0.42	₹2.1 billion (S$38 million)	Construction completed; 100% leased

i Committed pipeline as at 22 February 2022.
ii Based on exchange rate at the time of investment/announcement.

1 Excludes transaction expenses; gross consideration is subject to working capital adjustments on completion of the transaction. Excludes deferred consideration.

CASE STUDY

CASA GRANDE – PHASE 1

In March 2021, a-iTrust entered into a construction funding and forward purchase agreement to acquire Casa Grande – Phase 1, an industrial facility (aggregate net leasable area of ~0.42 million sq ft) located in Mahindra World City, Chennai. The transaction marks a-iTrust's first investment into the industrial asset segment.

Phase 1 construction has been completed and the acquisition is expected by the first half of 2022. The facility has been fully leased to a leading electronics contract manufacturer, with a long lock-in period and annual escalations.

As part of the agreement, a-iTrust has the option to fund the development of Phase 2, comprising two industrial facilities (aggregate net leasable area of ~0.31 million sq ft), located in Mahindra World City.

OVERVIEW

The Trust aims to have stable long term financial and operational performance by:

- providing a clean, safe and high-quality working environment; and
- nurturing strong relationships and open communication with tenants.

PRODUCT STRATEGY

Our business parks offer distinctive spaces that are built to international standards and provide a business lifestyle that inspires knowledge workers. Extensive amenities are provided within aesthetically landscaped settings incorporating lush gardens and artwork. Amenities in our parks include gymnasium and childcare facilities, coworking and flexi-office space, food courts, restaurants, and cafes. Conveniences include automated teller machines, banks, travel agencies, medical centres and pharmacies.

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

Our properties are fitted with a combination of safety and security features to provide tenants peace of mind. Our security officers are trained to handle different threats and contingencies. Armed guards and vehicle arrestors at main entrances as well as power fencing lining the boundary walls are added precautions provided in our properties. We also work closely with and regularly receive intelligence inputs from the local police, the State Intelligence Bureau and the Centre for Counter Terrorism.

We have also executed a comprehensive COVID-19 preparedness plan which includes investment in contactless systems, Ultraviolet Germicidal Irradiation (UVGI) technology as well as heightened hygiene protocols to ensure that our park remains a safe working environment for tenants as we welcome them back to office.

Our properties have won multiple awards for their distinguished quality; foremost amongst them are two Gold awards from the FIABCI Prix d' Excellence Award. Both International Tech Park Bangalore and International Tech Park Chennai have received this top accolade, affirming our ability to construct and manage world-class properties. We also place great emphasis on environmental sustainability and presently, 87% of our buildings have Gold or Platinum green certifications, as listed below.

City	Property	Building	Award
Bangalore	International Tech Park Bangalore	Anchor	IGBC[1] Platinum
		Anchor Annex	IGBC Platinum
		Aviator	IGBC Platinum
		Creator	IGBC Platinum
		Discoverer	IGBC Platinum
		Explorer	IGBC Gold
		Innovator	IGBC Platinum
		Inventor	IGBC Gold
		Navigator	IGBC Gold
		Victor	USGBC LEED[2] Platinum
		Voyager	IGBC Silver
Chennai	International Tech Park Chennai	Crest	USGBC LEED Gold
		Pinnacle	USGBC LEED Gold
		Zenith	USGBC LEED Platinum
	CyberVale	Lakeview	USGBC LEED Gold
		Springfield	USGBC LEED Gold
		Building 3	USGBC LEED Gold

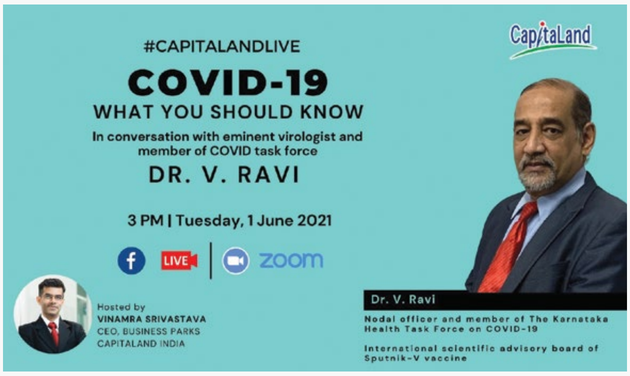
1 Indian Green Building Council
2 U.S. Green Building Council Leadership in Energy and Environmental Design

City	Property	Building	Award
Hyderabad	International Tech Park Hyderabad	Atria	USGBC LEED Gold
		Capella	IGBC Platinum
		Orion	IGBC Platinum
		Vega	USGBC LEED Platinum[3]
	aVance Hyderabad	aVance 2	IGBC Gold[3]
		aVance 3	IGBC Gold[3]
		aVance 4	IGBC Gold[3]
	CyberPearl	Block A	IGBC Platinum
		Block B	IGBC Platinum
Pune	aVance Pune	Building 1	IGBC Platinum
		Building 2	IGBC Platinum
		Building 3	IGBC Platinum
Mumbai	Aurum Q Parc	Building Q1	USGBC LEED Gold

3 Certification was obtained after 31 December 2021

TENANT STRATEGY

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



COVID-19 has led us to reimagine ways to stay connected with our industry partners and customers while limiting physical interactions. Instead of large scale cultural, sporting and networking events, we organised a variety of digital events throughout the year. We have received positive feedback from our tenants on these digital events.

Calendar of Events:

Month	Location	Event
January 2021	Bangalore	ITPB FM Connect
February 2021	Pan-India	Cancer Awareness Session
April 2021	Bangalore	Junk Art Competition, Eco Champion, and Earth Hour
	Pune	Back to School Contest
April - May 2021	Bangalore	Toastmasters International
June 2021	Chennai	ITPC FM Connect
	Pune	Yoga Week Challenge
June - August 2021	Pan-India	CapitaLand Live
November 2021	Pune	Go Green and Live Green
	Pan-India	Toastmasters International
November - December 2021	Hyderabad	IPC Night
December 2021	Pan-India	Hackathon Live

CASE STUDY

IMPROVEMENTS IN GREEN BUILDING CERTIFICATION THROUGHOUT THE PORTFOLIO

Environmental sustainability has been an extremely important subject for the Trust. In addition to reducing carbon footprint, being resource-efficient helps us provide competitive buildings to our occupiers and improve returns to shareholders. Tenants have also increasingly cited environmental sustainability as an important factor when assessing the viability of office space, which supports the Trust's long-standing commitment towards greening the portfolio.

In 2021, the Trust intensified its effort to improve green certification across the portfolio to align with industry best practices that are environmentally responsible and sustainable. We are proud to report that more than 87% of our portfolio is now either gold or platinum rated by the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) or Indian Green Building Council, as compared to 74% a year ago. Platinum, followed by gold, is the highest standard of green certification by USGBC and IGBC.

Some of the newer initiatives done to upgrade the portfolio were across two main areas: energy conservation and occupier health and safety. Key initiatives amongst these include the implementation of advanced control logistics for HVAC equipment, installation of Ultraviolet Germicidal Irradiation (UVGI) lamps in Air Handling Units (AHUs) and installation of indoor air quality sensors.

The Trust takes a long-term approach towards its sustainability trajectory by ensuring that initiatives are progressively adopted and renewed across the portfolio. We continue to improve the portfolio to operate at a level that keeps us at the forefront of sustainable real estate.

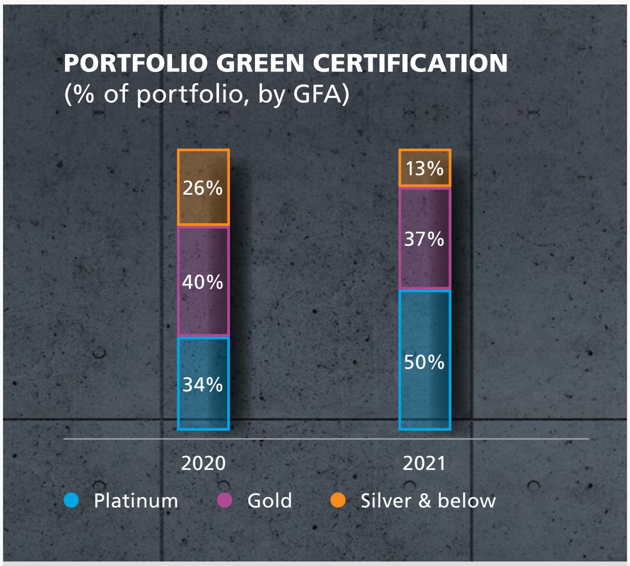


Figure: Summary of Green Certification across the Portfolio

OVERVIEW

Objective

Our capital management objectives include:

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

Key Indicators

Indicator	As at 31 December 2021	As at 31 December 2020
Gearing ratio[1]	35%	30%
Interest service coverage (Adjusted EBITDA[2]/Interest expenses)	3.7 times	4.0 times
Percentage of Indian Rupee debt	64%	63%
Percentage of fixed rate debt	75%	86%
Percentage of unsecured borrowings	100%	100%
Effective weighted average cost of debt	5.2%	5.3%
Available debt headroom	S$960 million[3]	S$1,079 million[3]
Net asset value	S$1.18 per unit	S$1.08 per unit
Adjusted net asset value[4]	S$1.50 per unit	S$1.38 per unit

1 Ratio of effective borrowings to the value of Trust properties. As at 31 December 2021, the effective borrowings to net asset ratio and total borrowings less cash and cash equivalent to net asset ratio were 75.2% and 65.2% respectively.
2 Earnings before interest expense, tax, depreciation & amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans), on a trailing 12-month basis. Earnings include interest income.
3 Available debt headroom for 31 December 2020 and 31 December 2021 is based on the gearing limit of 50% which is in accordance with Appendix 6 of the Code on Collective Investment Schemes.
4 Excludes deferred income tax liabilities on capital gains due to fair value revaluation of investment properties.

Use of Gross Proceeds from Private Placement in November 2019 (as at 31 December 2021)

In November 2019, a-iTrust raised equity of S$150.0 million through a private placement (Private Placement) of 99,470,000 new a-iTrust Units. As at 31 December 2019, about S$3.0 million or 2.0% of gross proceeds was used to pay the fees and expenses, including professional fees and expenses, incurred by a-iTrust in connection with the Private Placement. As stated in the announcement dated 21 October 2021 titled "Use of Proceeds from Private Placement of 99,470,000 new Units" (21 October 2021 Announcement) the remaining net proceeds from the Private Placement of S$147.0 million have been fully utilised in the manner as set out in the table below. As stated in the 21 October 2021 Announcement, the potential investment in a forward purchase of a business park in Bangalore (the "Project", and the proposed investment in the Project, the "Potential Investment") did not close due to the COVID-19 situation. The Private Placement proceeds were redeployed for the project financing of new and existing committed pipeline projects and the acquisition of aVance 6 as described in the 21 October 2021 Announcement. Accordingly, the use of proceeds from the Private Placement deviates with the stated use and percentage allocated in the announcement dated 20 November 2019 in relation to the close of the Private Placement.

	Announced use of proceeds (S$ million)	Actual use of proceeds (S$ million)	Percentage of gross proceeds
To part finance the initial upfront funding of Phase 1 of the Project of INR7.5 billion (S$144 million) through the subscription of non-convertible debentures, subject to completion of negotiations with the vendor, satisfactory due diligence and the entry into a legally binding agreement with the vendor in connection with the Potential Investment	144.0	Nil	Nil
To pay the fees and expenses, including professional fees and expenses, incurred by a-iTrust in connection with the Private Placement.	3.0	3.0	2.0%
Project funding and acquisition of aVance 6 at HITEC City, Hyderabad	0.0	89.3	59.5%
Site acquisition and project funding for a data centre project at Navi Mumbai	0.0	27.9	18.6%
Project funding of an industrial facility at Mahindra World City, Chennai	0.0	22.0	14.7%
Project funding for existing committed pipeline projects and to repay existing indebtedness	3.0	7.8	5.2%
Total	**150.0**	**150.0**	**100.0%**

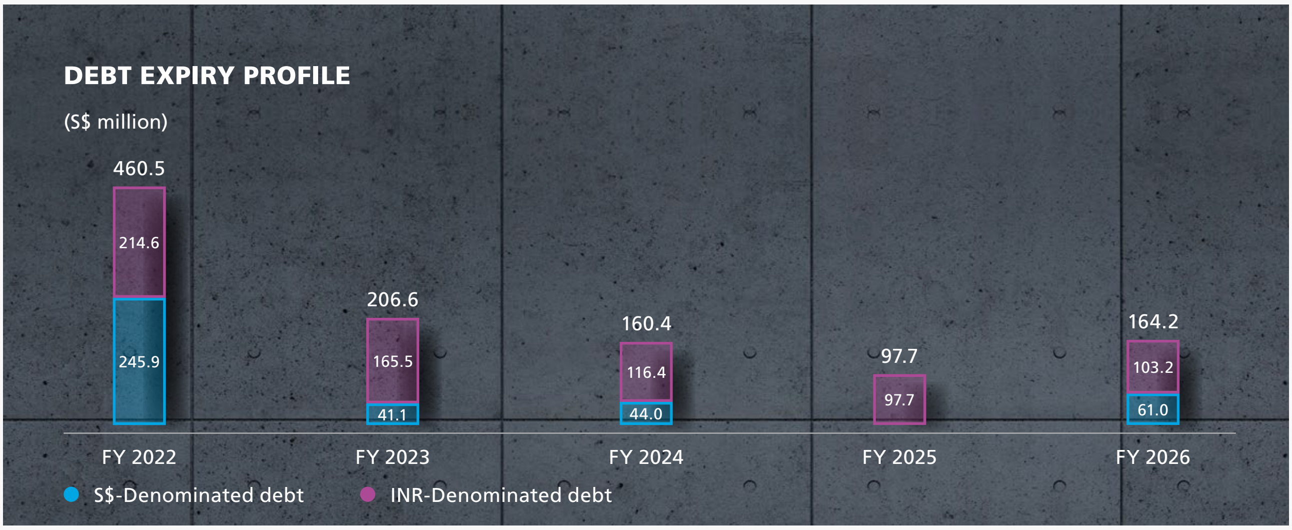
FUNDING STRATEGY

a-iTrust looks to diversify funding sources from various financial institutions and capital markets to reduce its single lender risk. The Trust currently has in place a S$1.5 billion Multicurrency Debt Issuance Programme and principal bankers including DBS Bank, UOB, Mizuho Bank, Citibank, J.P. Morgan, HSBC, BEA and Standard Chartered Bank. As at 31 December 2021, the Trust has total effective borrowings[1] of S$1.1 billion, comprising S$110 million of medium term notes, S$950 million of bilateral loans and deferred consideration of S$30 million.

Our approach to equity raising is predicated on maintaining a strong balance sheet by keeping the Trust's gearing ratio at an appropriate level. We will carefully consider the impact on a-iTrust's DPU and net asset value before making any decision on raising equity.

We lower the Trust's borrowing cost by having a mix of Indian Rupee and Singapore Dollar borrowings. As at 31 December 2021, 64% of the Trust's borrowings were denominated in Indian Rupee with the remaining 36% in Singapore Dollar. The weighted average interest cost of a-iTrust's Singapore Dollar and Indian Rupee borrowings were 1.6% and 7.3% respectively as at 31 December 2021. a-iTrust's overall weighted average cost of debt was 5.2% as at 31 December 2021.

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



Debt Headroom

Based on the gearing limits of 50%[2], which is in accordance with Appendix 6 of the Code on Collective Investment Schemes, the Trust may increase its borrowings by an additional S$960 million. This provides the Trust with significant resources to fund potential acquisitions and developments using additional borrowings.

CASH MANAGEMENT

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

INCOME HEDGING STRATEGY

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

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

DISTRIBUTION POLICY

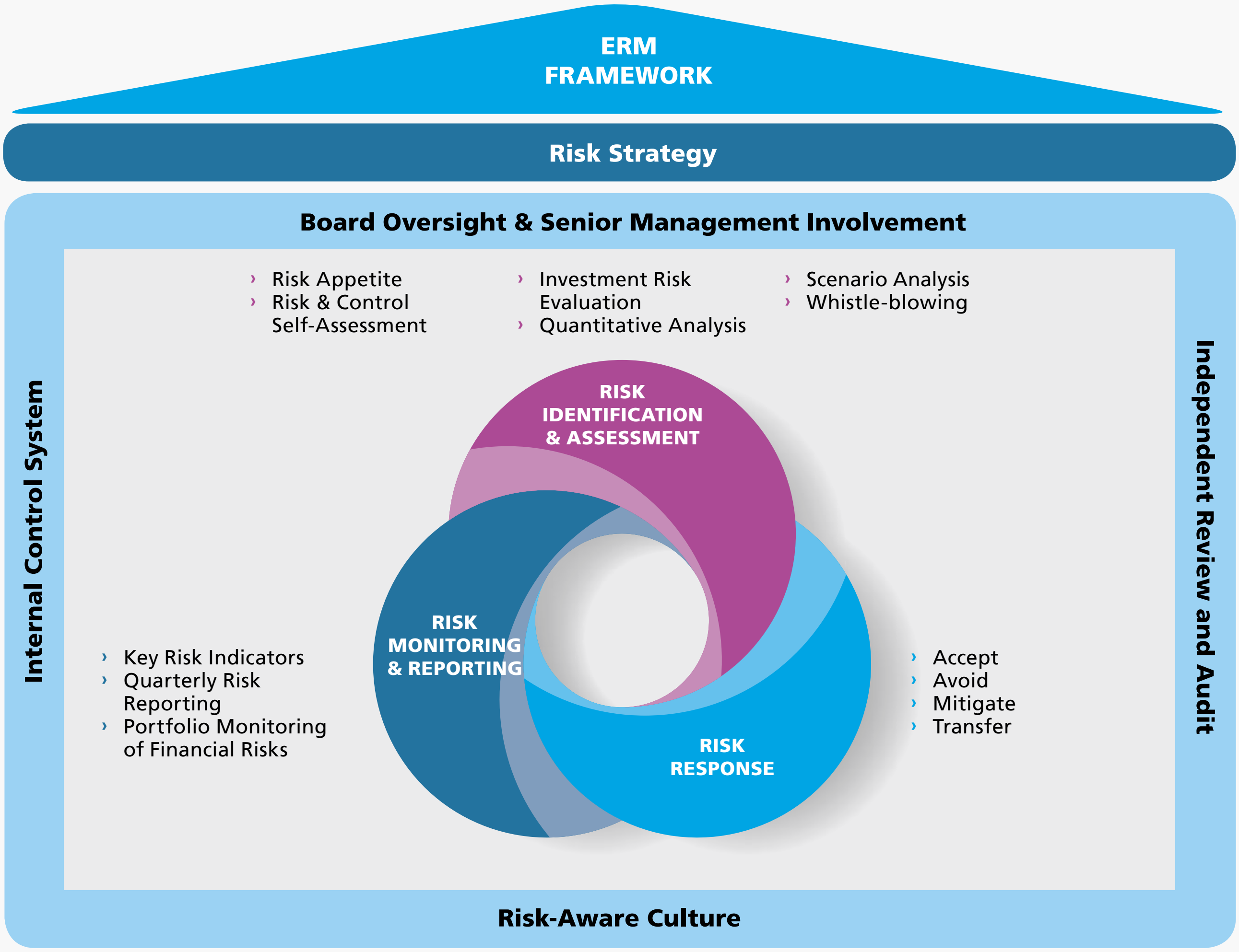
The Trust's policy is to distribute at least 90% of its distributable income. Since April 2012, a-iTrust has retained 10% of its distributable income to provide greater flexibility in growing the Trust.

2 Provided that a-iTrust has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

a-iTrust believes in maintaining a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders. By pursuing a risk strategy of optimisation of opportunities within the approved risk appetite levels instead of risk minimisation, we position the Trust for long-term sustainable results.

ENSURING BEST-IN-CLASS RISK MANAGEMENT STANDARDS AND APPROACHES TO OPTIMISE OPPORTUNITIES

The Enterprise Risk Management (ERM) Framework is adapted from the International Organisation for Standardisation (ISO) 31000 International Risk Management Standards and is benchmarked against other relevant best practices and guidelines and reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organisational components needed to identify, assess, respond, monitor and report material risks in an integrated, systematic and consistent manner as depicted below.



BOARD OVERSIGHT AND SENIOR MANAGEMENT INVOLVEMENT

The Trustee-Manager's Board of Directors (Board), assisted by the Audit and Risk Committee (ARC), approves the Trust's risk appetite which determines the nature and extent of material risks the Trust is willing to take to achieve its strategic objectives.

The Board also oversees the ERM Framework; regularly reviews the Trust's risk profile, material risks and mitigation strategies; and ensures the adequacy and effectiveness of the risk management framework and policies.

The Trustee-Manager's senior management team directs and monitors the implementation and practice of ERM across the Trust.

A ROBUST INTERNAL CONTROL SYSTEM

Various specialist support functions form the second line of defense and are responsible for the design and implementation of effective internal controls using a risk-based approach.

REGULAR INDEPENDENT REVIEW AND AUDIT

Internal and external audits form the third line of defense, by reviewing the adequacy and effectiveness of risk management and internal control systems design and implementation so as to provide reasonable assurance to the ARC on their adequacy and effectiveness.

DEVELOPING A STRONG RISK-AWARE CULTURE

The Trustee-Manager works closely with the risk management department at CLI, as well as various specialist support functions, to ensure risk management practices are implemented consistently.

Risk workshops are conducted regularly to ensure that the risk management practices are embedded in our decision-making and business processes.

The Trustee-Manager's senior management team reinforces the risk-aware culture by setting the 'tone at the top', leading by example and communicating our risk strategy throughout the Trust.

MATERIAL RISKS AND OPPORTUNITIES

A Trust-wide Risk and Control Self-Assessment (RCSA) exercise is conducted annually to identify the material risks, including new and emerging events, that the Trust faces in delivering its strategic objectives. From the 2021 RCSA results, the measures taken to mitigate the material risks and opportunities to capitalise on are set out below:

Material Risks	Key Mitigating Actions	Opportunities
Pandemic and Natural Disaster Business disruptions arising from the COVID-19 pandemic have negatively impacted the Indian real estate industry, including the Trust's Information Technology (IT) and logistics parks, resulting in potential structural disruptions to some of the real estate asset classes. It also spurred stakeholders' attention on the diversification and resilience in the Trust's supply chain.	› Continue to place the well-being of our tenants, shoppers, and customers as top priority by adopting contactless technologies and innovative technological solutions to enhance safety, cleanliness and hygiene at the Group's properties. › Future-proof the Trust's business through digitalisation of business operations and processes, innovation and flexibility in the Trust's product offerings such as accelerating our omnichannel solutions, assisting our customers with digital transition, optimising the use-of-space, and providing flexible workspace. › Build collaborative relationships and work closely with supply chain contractors, vendors and suppliers to achieve environmental and social goals.	› Ride on the digital adoption trend and ongoing business digitalisation to innovate and improve product offerings for our customers. › Opportunities to reposition or repurpose our assets to meet the new norms, including plans to develop data centres in our existing IT parks.

Material Risks	Key Mitigating Actions	Opportunities
Investment Investment risk arises when the Trust develops existing land within the portfolio, acquires new properties, or does not divest existing investments when it is timely to do so. Such risks encompass market and leasing risk, outlook, as well as the impact of the investment on the existing portfolio.	› A data-driven investment approach is adopted, focusing on the relevant national macroeconomic outlook, analysis of the relevant micro real estate markets (including supply and demand, vacancy and rental), and detailed asset analysis. › Conduct detailed property and technical due diligence prior to any new acquisition. › Independent valuation is used as a benchmark to validate the purchase price. › Detailed evaluation of the impact of the proposed acquisition on the portfolio income, distributable income, geographical and tenant diversification and lease expiry profile is carried out. › Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, used as investment benchmarks, are reviewed/ updated annually and adjusted accordingly where necessary. › Integrate sustainability in real estate life cycle from the earliest stage of our investment, redevelopment and divestment processes. › Review and approval of the investment by the Investment Committee and Board is sought.	› Identify value accretive opportunities to diversify the portfolio across asset classes and cities and enhance portfolio resilience. › Tap on strong experience and track record in multi-sector asset and portfolio management in executing the Trust's diversification strategy. › Explore the development of new economy asset classes (such as data centres) in our existing IT parks.
Asset Management Asset management risk encompasses risks associated with the day-to-day operations of the Trust's properties.	› Risk management measures are integrated into day-to-day activities. These include comprehensive operating, reporting and monitoring controls put in place to manage risks arising from leasing and maintenance activities of the Trust's properties. Timely asset enhancements are undertaken to preserve and enhance asset values. These controls are closely monitored and regularly reviewed, and improvements are made whenever necessary.	› Engage with our tenants and customers in understanding their spatial needs in a post-pandemic world and be ready to innovate and be flexible in providing differentiated solutions. › Explore the development of new economy asset classes (such as data centres) in our existing IT parks. New economy asset classes have proven to be resilient given the drive for digitalisation and acceleration of e-commerce since the COVID-19 pandemic.
Disruption to Customer Business Disruption to customer business risk encompasses risk associated with the impact of a tenant's exit due to disruption to business, on the rental income of the portfolio.	› The risk is mitigated by diversifying the Trust's tenant base, which consists 259 tenants as at 31 December 2021. On average, a single tenant occupied 49,077 sq ft of space. The largest tenant contributed 14% of portfolio base rents. Collectively, the top 10 tenants contributed 44% of portfolio base rent.	

Material Risks	Key Mitigating Actions	Opportunities
Funding Risk Funding risk refers to the inability to refinance borrowings when they are due. Funding risk also refers to the risk that the Trust does not have sufficient cash and cash equivalents to meet its immediate business requirements. The Trust is also exposed to changes in interest rates which relates primarily to interest-earning financial assets and interest-bearing financial liabilities.	› The Trust maintains a well-spread out debt maturity profile and has S$171 million of available revolving credit facilities and S$86 million of undrawn committed bilateral term loan as at 31 December 2021 to meet short-term refinancing requirements. › The Trust maintains sufficient cash and cash equivalents to meet the normal operating cash requirement. › Bank loan covenants are regularly monitored to ensure that the Trust does not default on any borrowings. › The Trust enters into interest rate swaps to hedge its floating-rate borrowings into fixed-rate obligations. As at 31 December 2021, 75% of the Trust's borrowings carry fixed-rate interest.	› The Trust maintains a prudent capital structure and hedging policy in giving Unitholders the confidence that the Trust is well-positioned against major fluctuations in the interest rate or foreign exchange environment.
Foreign Exchange Risk The Trust is exposed to foreign exchange risk as a result of having operations in two countries; it earns income in Indian Rupee (its functional currency) but makes distribution to Unitholders in Singapore Dollar (its reporting currency).	› To mitigate the risk of large currency fluctuations in the period before income is repatriated to Singapore, the Trust enters into monthly forward contracts to hedge income that will be repatriated. › The currency exposure as a result of borrowing in Singapore Dollar, Japanese Yen and Hong Kong Dollar to fund developments and/or acquisitions in India and is managed through cross-currency swaps and derivatives. The Trust's policy is to hedge at least 50% of its borrowings to Indian Rupee. As at 31 December 2021, 36% of the Trust's total borrowings were exposed to currency risk as a result of its exposure to Singapore Dollar borrowings.	

Material Risks	Key Mitigating Actions	Opportunities
Climate Change Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. Transitional risks include potentially more stringent regulations and increased expectations from stakeholders.	› Assessment of the detailed physical risks to be incorporated in the evaluation of any new acquisitions. › Incorporate shadow internal carbon price and compute a Return on Sustainability (ROS) in the evaluation of new investment/capital expenditure decisions. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation and avoid stranded assets. › Regularly review the Trust's mitigation and adaptation efforts, which includes future-proofing our portfolio against changing climatic conditions from the design stage, incorporating green energy solutions, improving the operational efficiency of our properties and setting targets for carbon emissions, water, energy and waste efficiency. › CLI has a well-established Group environmental management system which is externally certified to ISO 14001. › For more information, please refer our Sustainability Report on pages 62 to 103.	› Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for the Trust to build a resilient portfolio of assets and achieve resources efficiency. › Accelerate sustainability innovation and collaboration with our tenants, supply chain contractors, vendors and suppliers.
Fraud, Bribery & Corruption Any forms of fraud, bribery and corruption (FBC) that could be perpetuated by employees, third parties or collusion between employees and third parties.	› Promote an ethical culture at all levels of CLI. › Adopt a zero-tolerance stance against FBC in the conduct of business and reinforce the importance of integrity – one of CLI's core values. › Communicate the commitment to integrity from the top through policies and practices, such as FBC Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies, Anti-Money Laundering and Countering the Financing of Terrorism Policy and mandatory FBC eLearning.	
Safety, Health & Well-being Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at our assets and operations.	› Assessment of health and safety related risks in the evaluation of any new acquisitions. › Regularly review the Trust's mitigation efforts which include work-related safety targets applicable to both the Trust and our supply chains. › CLI has a well-established Group health and safety management system which is externally certified to ISO 45001. › For more information, please refer our Sustainability Report on pages 62 to 103.	

Material Risks	Key Mitigating Actions	Opportunities
Cyber Security & Information Technology Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of the Trust's information assets and/or systems.	› The outsourced IT from CLI executes its Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors. › Ongoing mandatory staff IT Security Awareness Training to counter human intervention in the information security chain. › Periodically review and update IT Security Policy and Data Protection Framework to ensure relevancy. › Maintain and test IT Security Incident Management Procedures to ensure prompt response and timely remediation to cyber security incidents. › Conduct an annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems. › Enhanced protection controls are put in place for Crown Jewel systems in which personal data resides.	› Building a cyber-resilient infrastructure and network enables us to harness the full potential of innovation and digital transformation of our business processes.
Regulatory & Compliance Non-compliance with applicable local laws and regulations, including relevant data protection and privacy regulations, in the markets where the Trust operates, which may lead to hefty penalties/ fines and negative publicity.	› Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations. › Leverage in-house specialised teams such as compliance and tax to provide advisory services and updates on latest changes to laws and regulations. › CLI establishes group-wide procedures and policies to address the requirements of the applicable data protection and privacy laws through policies such as Personal Data Protection Policy, Group Data Breach Reporting & Management Policy, Group Vendor Management Policy, Global Omnichannel Marketing Policy, Group Data Governance Policy and PDPA Group Compliance Manual.	› Keeping abreast of the changing regulatory landscape allows us to focus on the potential improvements in the various compliance areas.

OVERVIEW

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

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

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

We actively engage sell-side analysts and institutional investors via face-to-face meetings and conference calls. All requests from institutional investors to meet Management are met insofar as our schedules permit. Besides quarterly analysts conference calls, we participate in local and overseas investor conferences and non-deal roadshows to meet Unitholders and potential investors. Apart from such discussions, we also conduct site visits to our properties in India for fund managers and analysts. These visits provide them with first-hand insight into the overall quality of a-iTrust's portfolio.

Due to the COVID-19 situation in Singapore, the annual general meeting on 12 April 2021 was conducted via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the COVID-19 Temporary Measures Order). The responses to the substantial and relevant questions received from Unitholders were published on our website and on SGXNet prior to the annual general meeting. To provide individual Unitholders the opportunity to seek clarification from Directors and Management, the FY 2021 annual general meeting will be conducted in a virtual manner, where there will be a live Question & Answer session. We will focus on responding to all queries from individual Unitholders in a timely fashion. Voting will also be conducted live via electronic means at the annual general meeting.

WEBSITE

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

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

SUPPLEMENTARY INFORMATION

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

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

RESEARCH COVERAGE

Five brokerage firms cover a-iTrust as at 31 December 2021. We maintain open channels of communication to ensure that the analysts understand and are kept updated on our performance and strategy.

Brokerage Firm
- Citi Research
- DBS Group Research
- HSBC
- Jefferies
- JP Morgan Securities

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

MEDIA

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

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

INVESTOR RELATIONS CALENDAR FY 2021

Quarter	Event
First Quarter (1 January 2021 to 31 March 2021)	FY 2020 Results Announcement analysts briefing
	FY 2020 post-results investor call hosted by Citi Research
	Citi Virtual Global Property CEO Conference 2021
Second Quarter (1 April 2021 to 30 June 2021)	1Q FY 2021 Business Updates analysts briefing
	1Q FY 2021 Business Updates investor call hosted by J.P. Morgan
Third Quarter (1 July 2021 to 30 September 2021)	1H FY 2021 Results Announcement analysts briefing
	1H FY 2021 post-results investor call hosted by DBS Vickers
	Citi-SGX-REITAS REITS and Sponsors Forum 2021
	Citi-CL Group and Listed Trusts Corporate Day 2021
Fourth Quarter (1 October 2021 to 31 December 2021)	3Q FY 2021 Business Updates analysts briefing
	3Q FY 2021 Business Updates investor call hosted by DBS Group Research
	CapitaLand Investment & REITs Taiwan Corporate Day

FINANCIAL CALENDAR

Financial Year Ended 31 December 2021	Date
14th Annual General Meeting (Virtual)	12 April 2021
1Q FY 2021 Business Updates	21 April 2021
1H FY 2021 Results Announcement	28 July 2021
Payment of 1H FY 2021 Distribution	25 August 2021
3Q FY 2021 Business Updates	27 October 2021
2H FY 2021 Results Announcement	26 January 2022
Payment of 2H FY 2021 Distribution	25 February 2022
15th Annual General Meeting (Virtual)	14 April 2022

Financial Year Ended 31 December 2022	Tentative Date
1Q FY 2022 Business Updates	April 2022
1H FY 2022 Results Announcement	July 2022
Payment of 1H FY 2022 Distribution	August 2022
3Q FY 2022 Business Updates	October 2022
2H FY 2022 Results Announcement	January 2023
Payment of 2H FY 2022 Distribution	February 2023

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

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

ENQUIRIES

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

The Trustee-Manager

Ascendas Property Fund Trustee Pte. Ltd.
Cheah Ying Soon
Chief Financial Officer
Phone: +65 6713 2888
Email: cheah.yingsoon@a-itrust.com

Unit Registrar

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

PROPERTY	INTERNATIONAL TECH PARK BANGALORE (ITPB)	INTERNATIONAL TECH PARK CHENNAI (ITPC)
City	Bangalore	Chennai
Site area (acres)	68.3	15.0
Land tenure	Freehold	Freehold
Stake	93%[2]	89%[3]
Type	IT Park	IT Park
Floor area owned by a-iTrust (million sq ft)	5.2	2.0
Number of buildings	12	3
Park population	55,000	14,100
Development potential of land bank (million sq ft)	3.1	–
Committed occupancy	91%	65%
Purchase price		
(₹ million)	13,670	5,533
(S$ million)[4]	478.5	193.7
December 2020 valuation		
(₹ million)	40,892	21,127
(S$ million)[5]	739.3	382.0
December 2021 valuation		
(₹ million)	44,489	20,430
(S$ million)[6]	807.5	370.8

1 Initial lease term of 99 years renewable for further 99 years as provided in the lease deed.
2 Remaining 7.2% owned by Karnataka Industrial Area Development Board.
3 Remaining 11.0% owned by Tamil Nadu Industrial Development Corporation Limited.
4 Based on exchange rate of S$1: ₹28.6 for ITPB, ITPC, ITPH and CP, S$1: ₹39.4 for aVance 1 & 2, S$1: ₹46.7 for aVance 3, S$1: ₹46.0 for aVance 4, Lakeview and Springfield in CV, S$1: ₹48.8 for the third building in CV, S$1: ₹47.0 for aVance Pune, S$1: ₹47.5 for Arshiya Panvel warehouses, and $1: ₹55.0 for Building Q1 and DC Land.
5 Based on exchange rate of S$1: ₹55.3.
6 Based on exchange rate of S$1: ₹55.1.

	CYBERVALE (CV)	CYBERPEARL (CP)	INTERNATIONAL TECH PARK HYDERABAD (ITPH)
	Chennai	Hyderabad	Hyderabad
	18.2	6.1	19.4
	99 years[1] till January 2105	Freehold	Freehold
	100%	100%	100%
	IT Park	IT Park	IT Park
	0.8	0.4	1.5
	3	2	5
	7,500	4,500	12,300
	0.4	–	4.2
	78%	89%	92%
	2,286	2,001	5,439
	49.2	70.0	190.4
	4,052	3,279	18,544
	73.3	59.3	335.3
	4,240	3,701	22,309
	77.0	67.2	404.9

PROPERTY	AVANCE HYDERABAD	AVANCE PUNE
City	Hyderabad	Pune
Site area (acres)	25.7	5.4
Land tenure	Freehold[7]	Freehold[8]
Stake	100%	100%
Type	IT Park	IT Park
Floor area owned by a-iTrust (million sq ft)	2.1	1.5
Number of buildings	5	3
Park population	20,800	13,100
Development potential of land bank (million sq ft)	–	–
Committed occupancy	90%	99%
Purchase price		
(₹ million)	6,658	6,331
(S$ million)[4]	150.2	134.8
December 2020 valuation		
(₹ million)	10,650	9,490
(S$ million)[5]	192.6	171.6
December 2021 valuation		
(₹ million)	16,718	10,148
(S$ million)[6]	303.4	184.2

7 aVance Hyderabad is considered a freehold property by the Trustee-Manager on the basis that it is on a 33-year lease which is renewable for further 33-year leases at the Trust's option at nominal lease rentals.

8 aVance Pune is considered a freehold property by the Trustee-Manager on the basis that it is on a 99-year lease which is renewable for further 99-year leases at the Trust's option at nominal lease rentals.

9 Arshiya Panvel warehouses are considered freehold property by the Trustee-Manager on the basis that they are on a 30-year lease which is renewable for further 30-year leases at the Trust's option at nominal lease rentals.

10 Master lease to Arshiya Lifestyle Limited (part of Arshiya Group) for operation and management of the warehouse for a six-year term.

ARSHIYA PANVEL WAREHOUSES	BUILDING Q1, AURUM Q PARC (BUILDING Q1)	CAPITALAND DC NAVI MUMBAI 1 (DC LAND)
Panvel, Mumbai	Ghansoli, Navi Mumbai	Airoli, Navi Mumbai
24.5	3.4	6.6
Freehold[9]	30 years[12] till June 2048 (initial term)	41 years[13], ranging from July 2062 to March 2063
100%	100%	100%
Warehouse	IT SEZ Office Building	Land
0.8	0.6	–
6	1	–
–	2,300	–
–	–	0.6[14]
100%[10]	54%	–
5,129[11]	3,530	1,308
108.0[11]	64.1	23.8
6,150	–	–
111.2	–	–
7,319	3,989	1,315
132.8	72.4	23.9

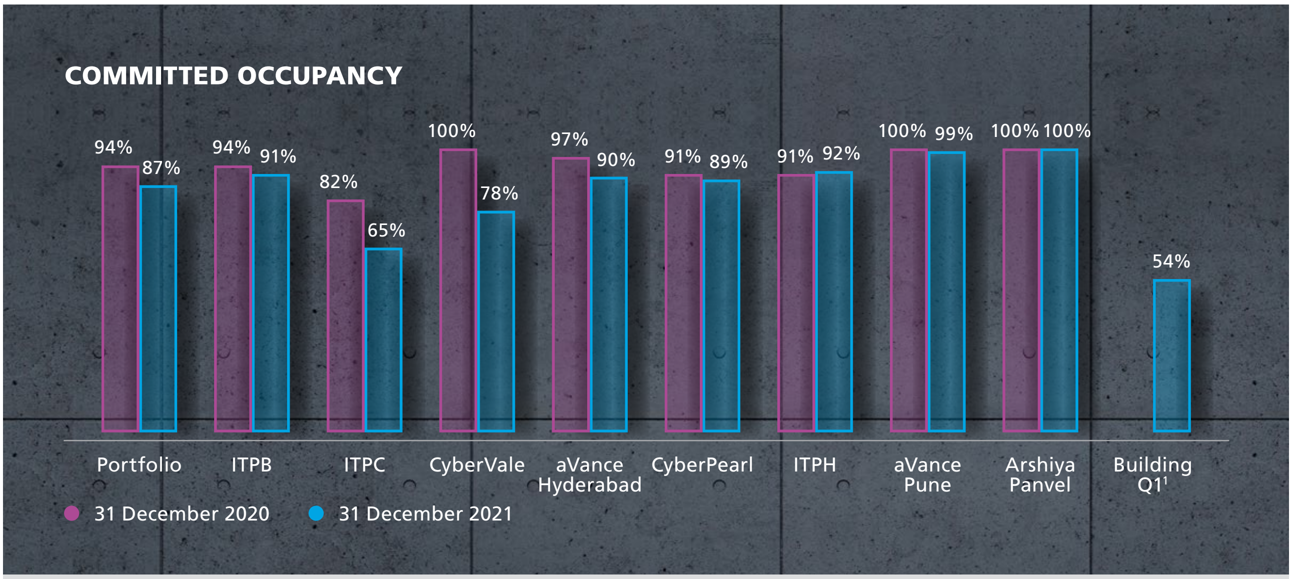
11 Includes deferred consideration of ₹789 million paid till December 2021. Balance of ₹211 million is payable over the next year, subject to achievement of performance milestones.
12 Underlying land of Building Q1 is on sub-lease from Aurum Group and Maharashtra Industrial Development Corporation (MIDC) with initial term of 30 years, renewable for further 30 years upon each expiry.
13 DC Land comprises of three sub-plots, with the lease expiries for the respective sub-plots ranging between July 2062 and March 2063, which are renewable for further 95 years upon expiry of the primary lease term.
14 Total development potential including Phase 1 (0.33 million sq ft) and Phase 2 (0.25 million sq ft).

ASSET REVIEW

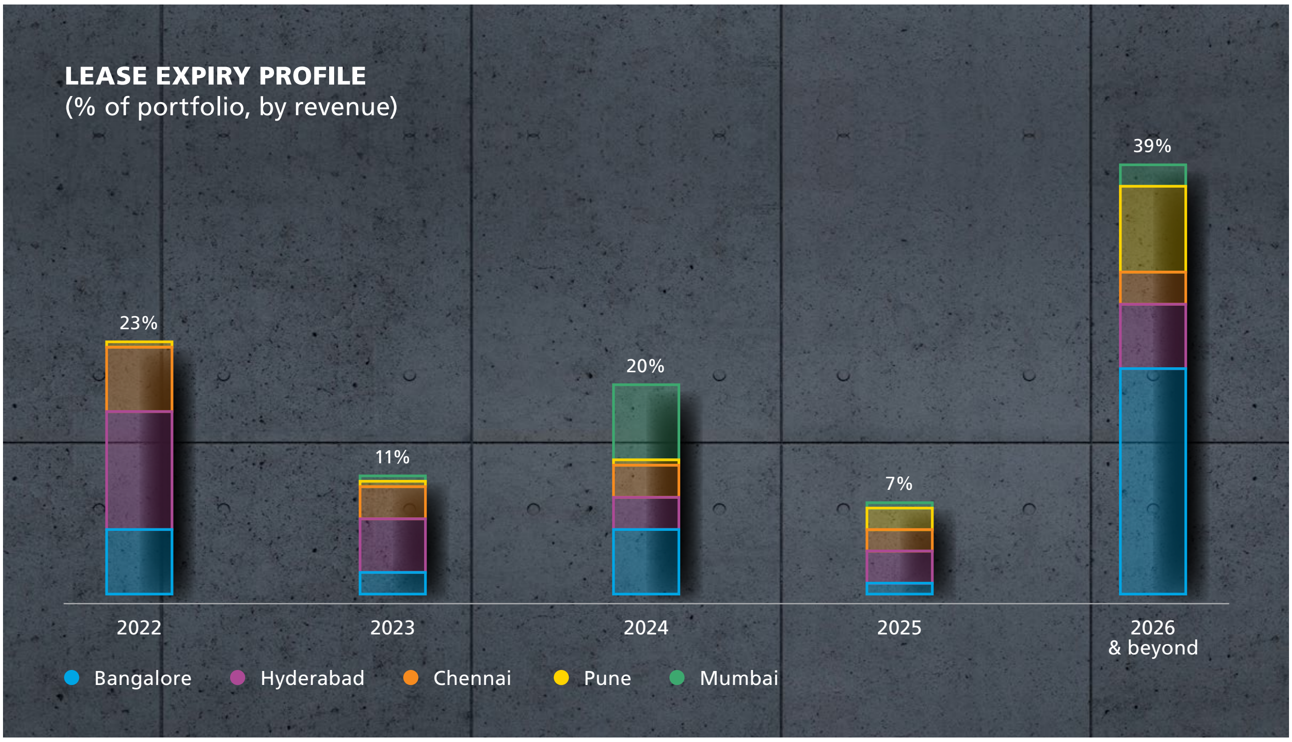
Leasing Report

As at 31 December 2021, a-iTrust's committed portfolio occupancy stood at 87%. Close to 2.8 million sq ft of floor space was leased or renewed in 2021.

Approximately 23% of leases will expire in 2022. In view of the COVID-19 pandemic, we have been commencing lease renewal discussions sooner than usual - six to nine months prior to the expiry of their leases - to allow sufficient time to secure a replacement tenant where necessary.



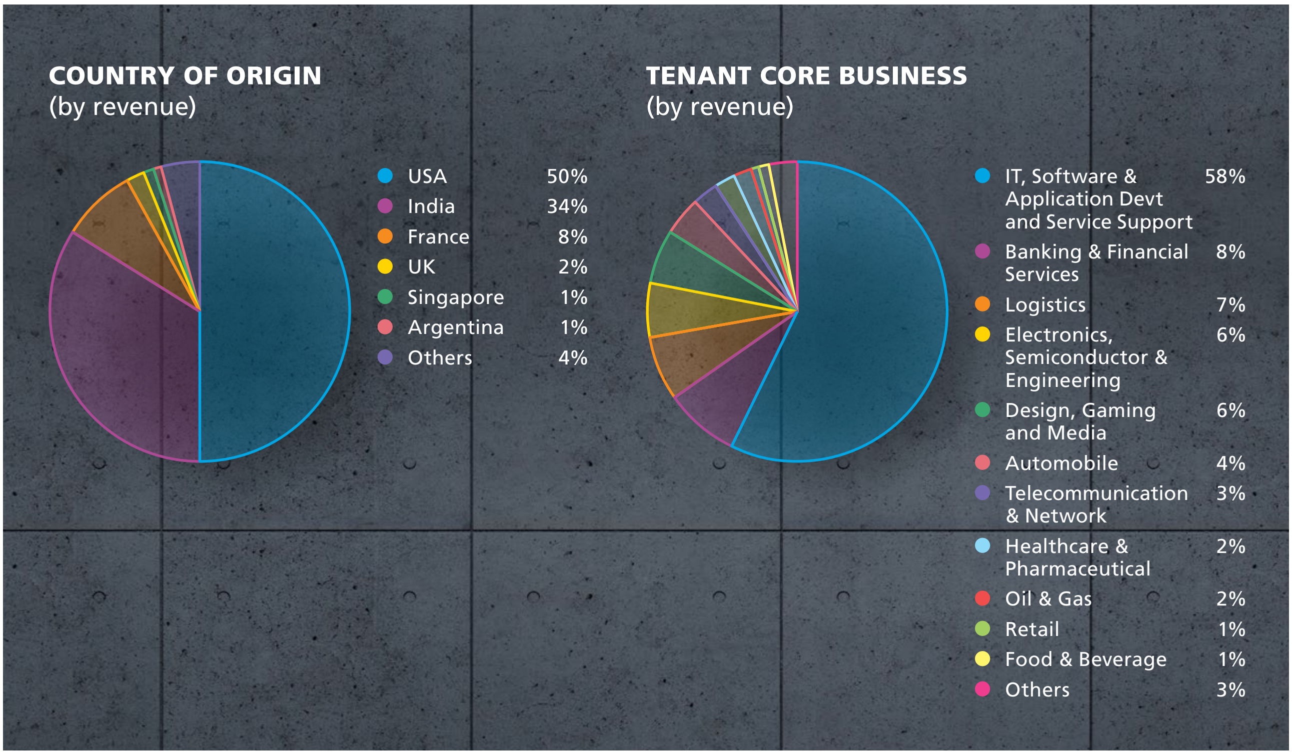
1 Building Q1 in Aurum Q Parc was acquired in November 2021



Tenant Profile

We had 259 tenants as at 31 December 2021. Majority of our tenants are multinational companies, with approximately 50% from the US and approximately 34% from India. Most of our Indian tenants have global operations and provide services to clients from diverse industries.

About 58% of our tenants are from the core technology sector (IT, software and application development and service support) while the rest of the portfolio is from a diverse set of industries such as banking and financial services, design, gaming and media, electronics, semiconductor and engineering, logistics and automobile companies.



Many of our top 10 tenants are on the Fortune 500 list with excellent credit rating.

Top 10 tenants	by revenue
Tata Consultancy Services	14%
Arshiya Panvel	7%
Amazon	6%
Renault Nissan	3%
Applied Materials	3%
Bank of America	3%
Societe Generale	3%
Technicolor	2%
UnitedHealth Group	2%
Larsen & Toubro	2%

Top 5 sub-tenants of Arshiya Panvel	by revenue
DHL Logistics	8%
UPL Limited	8%
Shashwat Group	7%
Borochemie (India)	7%
ZTE Corporation	5%

OVERVIEW

a-iTrust Results	FY 2021 ₹ million	FY 2020 ₹ million	YOY Increase/ (Decrease)	FY 2021 S$ million	FY 2020 S$ million	YOY Increase/ (Decrease)
Total property income	10,613	10,250	4%	192.7	191.7	1%
Total property expenses	(2,037)	(2,340)	(13%)	(37.0)	(43.8)	(15%)
Net property income	8,576	7,910	8%	155.7	147.9	5%
Finance costs	(2,827)	(2,367)	19%	(51.3)	(44.3)	16%
Interest income	2,961	2,768	7%	53.8	51.8	4%
Ordinary profit before tax	7,226	6,476	12%	131.2	121.0	8%
Distribution adjustments	(1,720)	(450)	282%	(31.2)	(8.4)	274%
Income available for distribution	5,506	6,026	(9%)	100.0	112.6	(11%)
Income to be distributed	4,956	5,423	(9%)	90.0	101.3	(11%)

Exchange Rate Movement	FY 2021	FY 2020	YOY Change
Average SGD/INR exchange rate	55.1	53.5	3.0%[i]

i The Singapore Dollar appreciated by 3.0% against the Indian Rupee.

TOTAL PROPERTY INCOME

a-iTrust Results	FY 2021 ₹ million	FY 2020 ₹ million	YOY Increase/ (Decrease)	FY 2021 S$ million	FY 2020 S$ million	YOY Increase/ (Decrease)
Base rent	8,053	7,648	5%	146.3	143.0	2%
Amenities income	81	93	(13%)	1.5	1.7	(15%)
Fit-out rental income	120	139	(14%)	2.2	2.6	(17%)
Operations, maintenance and utilities income	1,935	2,012	(4%)	35.1	37.6	(7%)
Car park and other operating income	423	357	19%	7.7	6.7	15%
Total property income	**10,613**	**10,250**	**4%**	**192.7**	**191.7**	**1%**

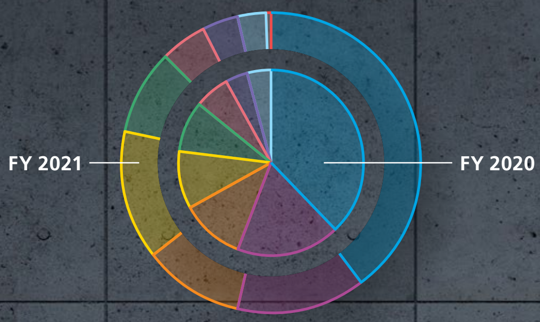
Total property income for FY 2021 increased by 4% (₹363 million) to ₹10,613 million. This was mainly due to:
- income from Anchor Annex building at ITPB, which was completed in November 2020;
- income from aVance 6 at aVance Hyderabad, which was acquired in March 2021; and
- partially offset by lower occupancy, lower utilities and car park income due to the COVID-19 pandemic.

In Singapore Dollar terms, total property income increased by 1% (S$1.0 million) to S$192.7 million.

The Singapore Dollar appreciated by about 3.0% against the Indian Rupee over the same period last year.

FY 2021 COMPARED TO FY 2020

TOTAL PROPERTY INCOME



Property (₹ million)	FY 2021		FY 2020	
ITPB	4,212	40%	3,872	38%
ITPC	1,476	14%	1,815	18%
ITPH	1,126	11%	1,178	11%
aVance Hyderabad[(i)]	1,489	14%	1,069	10%
aVance Pune	977	9%	964	9%
Arshiya Panvel warehouses	571	5%	565	6%
CyberVale	378	4%	421	4%
CyberPearl	366	3%	366	4%
Building Q1, Aurum Q Parc[(ii)]	17	0%	–	–
Total	**10,613**	**100%**	**10,250**	**100%**

(i) Includes aVance 6, which was acquired in March 2021.
(ii) Acquired in November 2021.

TOTAL PROPERTY EXPENSES

a-iTrust Results	FY 2021 ₹ million	FY 2020 ₹ million	YOY Increase/ (Decrease)	FY 2021 S$ million	FY 2020 S$ million	YOY Increase/ (Decrease)
Operations, maintenance and utilities expenses	(966)	(1,048)	(8%)	(17.5)	(19.6)	(10%)
Service and property taxes	(205)	(266)	(23%)	(3.7)	(5.0)	(25%)
Property management fees	(454)	(471)	(4%)	(8.2)	(8.8)	(6%)
Other property operating expenses	(412)	(554)	(26%)	(7.5)	(10.4)	(28%)
Total property expenses	**(2,037)**	**(2,340)**	**(13%)**	**(37.0)**	**(43.8)**	**(15%)**

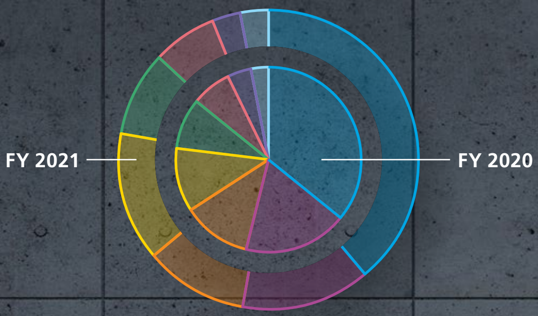
Total property expenses decreased by 13% (₹303 million) to ₹2,037 million mainly due to reduced operation, maintenance and utilities expenses, as well as a reversal of expected credit loss in FY 2021 compared to an allowance for expected credit loss in FY 2020.

In Singapore Dollar terms, total property expenses decreased by 15% (S$6.8 million) to S$37.0 million.

NET PROPERTY INCOME

Net property income grew by 8% (₹666 million) to ₹8,576 million, due to the above factors. In Singapore Dollar terms, net property income increased by 5% (S$7.8 million) to S$155.7 million.

NET PROPERTY INCOME



Property (₹ million)	FY 2021		FY 2020	
ITPB	3,304	39%	2,814	36%
ITPC	1,232	14%	1,415	18%
ITPH	910	11%	945	12%
aVance Hyderabad(i)	1,243	14%	889	11%
aVance Pune	762	9%	721	9%
Arshiya Panvel warehouses	565	7%	560	7%
CyberVale	290	3%	307	4%
CyberPearl	269	3%	259	3%
Building Q1, Aurum Q Parc(ii)	2	0%	–	–
Total	**8,576**	**100%**	**7,910**	**100%**

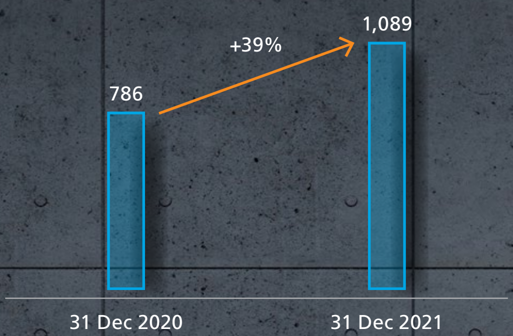
(i) Includes aVance 6, which was acquired in March 2021.
(ii) Acquired in November 2021.

FINANCE COSTS

Finance costs increased by 19% (₹460 million) to ₹2,827 million due to an increase in borrowings. These additional loans were taken largely to invest in a-iTrust's committed forward purchase pipeline projects and new acquisitions during the year. In Singapore Dollar terms, finance costs increased by 16% (S$7.0 million) to S$51.3 million.

EFFECTIVE BORROWINGS[i]

(S$ million)



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

INTEREST INCOME

Interest income increased by 7% (₹193 million) to ₹2,961 million, mainly from higher interest income pertaining to investments in Casa Grande, Gardencity, Arshiya Panvel, Aurum Q Parc[1] and BlueRidge 3 after excluding interest income following the acquisitions of aVance 6 in aVance Hyderabad and Building Q1 in Aurum Q Parc.

In Singapore Dollar terms, interest income increased by 4% (S$2.0 million) to S$53.8 million.

INCOME AVAILABLE FOR DISTRIBUTION

After accounting for distribution adjustments, income available for distribution for FY 2021 decreased 9% (₹520 million) to ₹5,506 million. This decrease was mainly due to FY 2020's one-off reversal of dividend distribution tax and higher FY 2021 finance costs, partially offset by higher net property income and interest income in current year. In Singapore Dollar terms, income available for distribution decreased by 11% (S$12.6 million) to S$100.0 million.

1 Aurum Q Parc was formerly known as AURUM IT SEZ.

INCOME TO BE DISTRIBUTED

a-iTrust's distribution policy is to distribute at least 90% of its income available for distribution. The remaining 10% is retained to provide greater flexibility in growing the Trust. Post retention, income to be distributed for FY 2021 decreased 9% (₹467 million) to ₹4,956 million. In Singapore Dollar terms, income to be distributed decreased by 11% (S$11.3 million) to S$90.0 million. This translates to a DPU of 7.80 Singapore cents in FY 2021, a decrease of 11% compared to the DPU of 8.83 Singapore cents in FY 2020.

The decrease in DPU is largely due to FY 2020's reversal of dividend distribution tax (DDT). Excluding this one-off reversal of DDT in FY 2020, FY 2021's DPU would have increased by approximately 1.7%.

a-iTrust makes distributions to Unitholders on a half-yearly basis for every six-month period ending 30 June and 31 December.

Financial Year	Period	Payment Date	DPU (Singapore cents)	Full Year DPU (Singapore cents)
FY 2021	1 Jul 2021 to 31 Dec 2021	25 Feb 2022	3.60	7.80
	1 Jan 2021 to 30 Jun 2021	25 Aug 2021	4.20	
FY 2020	1 Jul 2020 to 31 Dec 2020	25 Feb 2021	4.19	8.83
	1 Jan 2020 to 30 Jun 2020	26 Aug 2020	4.64	

VALUATION AND NET ASSET VALUE

As at 31 December 2021, a-iTrust's properties were valued at ₹134,658 million by CBRE South Asia Pvt. Ltd., in accordance with the property valuation standards pursuant to the Listing Rule 1207(11), which was approximately 18% (₹20,475 million) higher than the valuation of ₹114,183 million as at 31 December 2020. In Singapore Dollar terms, portfolio valuation increased to S$2,444.1 million.

The increase in INR terms was mainly due to:

- acquisition of aVance 6 in aVance Hyderabad in March 2021;
- acquisition of land in Airoli, Navi Mumbai for data centre development in October 2021;
- acquisition of Building Q1 in Aurum Q Parc in November 2021;
- annual fair value revaluation of investment properties; and
- development additions for Phase I redevelopment at ITPH.

In FY 2021, a-iTrust recognised fair value gain on investment properties of ₹7,290 million (S$132.4 million). Revaluation gains are non-cash in nature and do not have an impact on income available for distribution.

Net asset value (NAV) per unit as at 31 December 2021 increased by 9% to S$1.18 as compared to S$1.08 in the previous year. Excluding deferred tax liabilities arising from fair value adjustments on properties, the adjusted NAV per unit increased by 9% to S$1.50. In INR terms, both NAV and adjusted NAV per unit increased by 9% each to INR 64.8 and INR 82.5 respectively as compared to 31 December 2020.

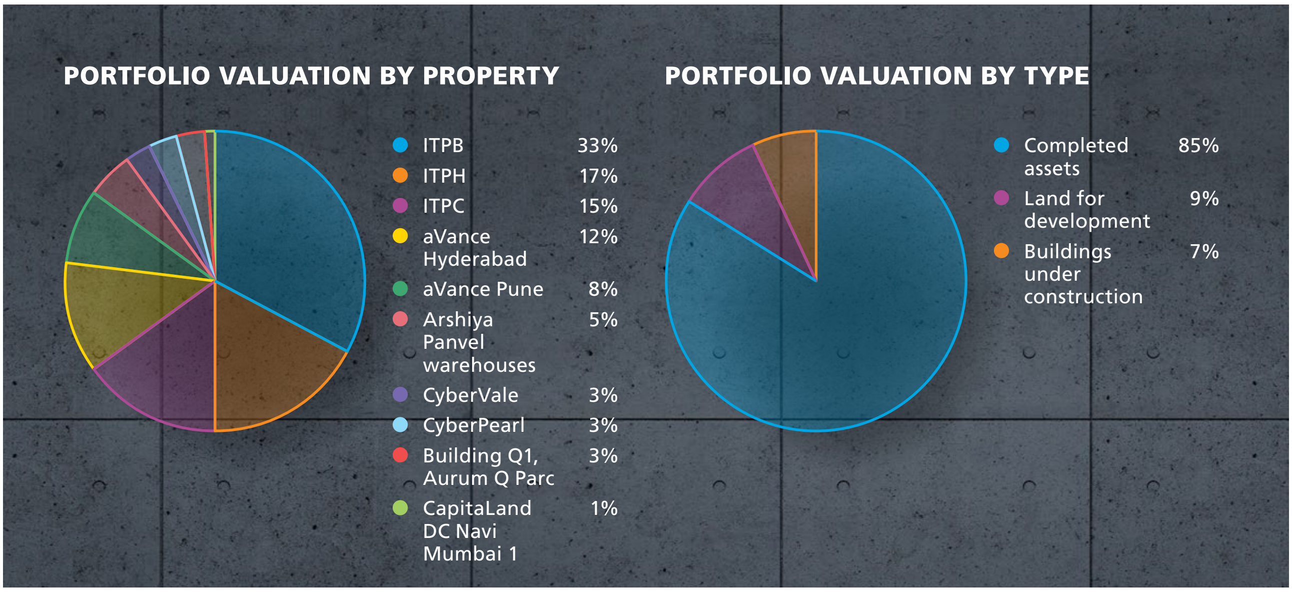
93% of the properties by valuation are on freehold land, while the remaining are leasehold. For more details please refer to the Portfolio section in pages 48 to 51 of the Annual Report.

FY 2021 COMPARED TO FY 2020

Valuation of Properties

Property (₹ million)	31 Dec 2021 Valuation	31 Dec 2020 Valuation	Increase/ (Decrease)
International Tech Park Bangalore	44,489	40,892	8.8%
International Tech Park Chennai	20,430	21,127	(3.3%)[iii]
CyberVale	4,240	4,052	4.6%
CyberPearl	3,701	3,279	12.9%
International Tech Park Hyderabad	22,309	18,544	20.3%
aVance Hyderabad	16,718	10,650	57.0%
aVance Pune	10,148	9,490	6.9%
Arshiya Panvel warehouses	7,319	6,150	19.0%
Building Q1, Aurum Q Parc	3,989	–	N.A.
CapitaLand DC Navi Mumbai 1	1,315	–	N.A.
Portfolio (in ₹ million)	**134,658**	**114,183**	**17.9%**
Portfolio (in S$ million)	**2,444.1[i]**	**2,064.4[ii]**	**18.4%**

N.A. – Not applicable
i Based on the exchange rate of S$1: ₹55.1
ii Based on the exchange rate of S$1: ₹55.3
iii Decrease due to lower occupancy



CASH FLOWS AND LIQUIDITY

Operating Activities

Net cash generated from operating activities for FY 2021 increased by 4% (S$6.0 million) to S$147.6 million, compared to S$141.6 million in the previous financial year, mainly on account of higher net property income.

Investing Activities

During the financial year, S$70.6 million was invested to fund the acquisition of new subsidiaries, Avance Technohub Private Limited, LOMA Co-Developers 1 Private Limited and Datascape Realty Private Limited, which own the aVance 6 building in Hyderabad, Building Q1 in Aurum Q Parc and 6.6-acre land for data centre development in Airoli, Navi Mumbai respectively. S$29.3 million was paid in advance for planned acquisition of aVance 5 in Hyderabad. S$13.0 million was invested to fund the Phase I redevelopment at ITPH and data centre development. An additional S$23.9 million of capital expenditure was spent on upgrading and maintaining existing properties. Further, S$151.0 million was invested towards construction funding for Arshiya Panvel seventh warehouse, aVance 5, BlueRidge 3, Casa Grande, and GardenCity projects which form part of a-iTrust's committed forward purchases. S$82.2 million was received upon acquisition of aVance 6 for repayment of construction funding.

In the previous financial year, S$23.1 million was invested to fund the development of Anchor Annex building in ITPB and Phase I redevelopment at ITPH. An additional S$13.1 million worth of capital expenditure was spent on upgrading and maintaining existing properties. S$46.0 million was invested towards construction funding for Arshiya Panvel, Aurum Q Parc and BlueRidge 3 which form part of a-iTrust's committed forward purchases.

Financing Activities

During the year, a-iTrust raised S$456.6 million of loans. Of the funds raised, S$178.1 million went towards the refinancing of existing loans, with the remaining being invested towards acquisition of subsidiaries and construction funding for the various committed forward purchases.

SENSITIVITY ANALYSIS

Interest Rate Risk

As at 31 December 2021, 75% of a-iTrust's total borrowings were on fixed-rate basis, which significantly reduces interest rate volatility. Income available for distribution is not materially impacted by changes in market interest rates and consequently interest rate risk is low.

Foreign Exchange Risk

In terms of operating cash flows, which are denominated substantially in Indian Rupees, an estimated 10% appreciation or depreciation of the Indian Rupee would result in a corresponding 8% increase or decrease in a-iTrust's income available for distribution.

Capital Risk

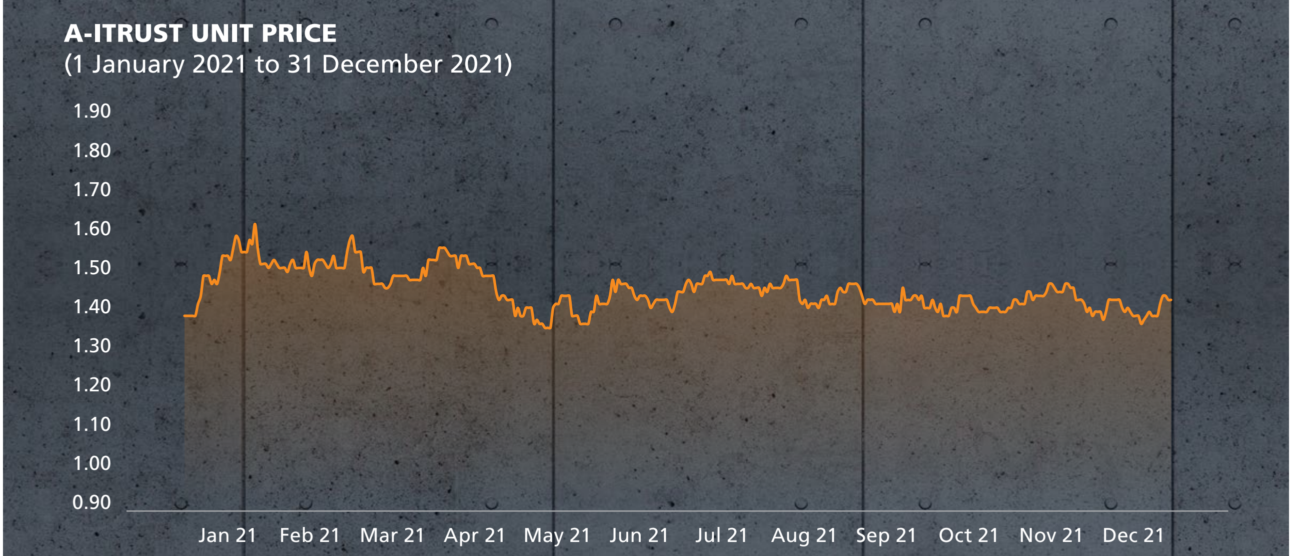
As at 31 December 2021, a-iTrust has a gearing ratio of 35%. A 10% increase or decrease in portfolio valuation would reduce the gearing to 32% or increase the gearing to 38% respectively.

	₹ million			S$ million		
	FY 2021	FY 2020	YOY Change	FY 2021	FY 2020	YOY Change
TOTAL PROPERTY INCOME						
1st Half (Jan - Jun)	5,246	5,199	1%	95.4	99.0	(4%)
2nd Half (Jul - Dec)	5,367	5,051	6%	97.3	92.7	5%
Full Year	10,613	10,250	4%	192.7	191.7	1%
NET PROPERTY INCOME						
1st Half (Jan - Jun)	4,251	3,861	10%	77.3	73.5	5%
2nd Half (Jul - Dec)	4,325	4,049	7%	78.4	74.4	5%
Full Year	8,576	7,910	8%	155.7	147.9	5%
INCOME AVAILABLE FOR DISTRIBUTION						
1st Half (Jan - Jun)	2,957	3,101	(5%)	53.8	59.0	(9%)
2nd Half (Jul - Dec)	2,549	2,925	(13%)	46.2	53.6	(14%)
Full Year	5,506	6,026	(9%)	100.0	112.6	(11%)
INCOME TO BE DISTRIBUTED[1]						
1st Half (Jan - Jun)	2,661	2,791	(5%)	48.4	53.1	(9%)
2nd Half (Jul - Dec)	2,295	2,632	(13%)	41.6	48.2	(14%)
Full Year	4,956	5,423	(9%)	90.0	101.3	(11%)

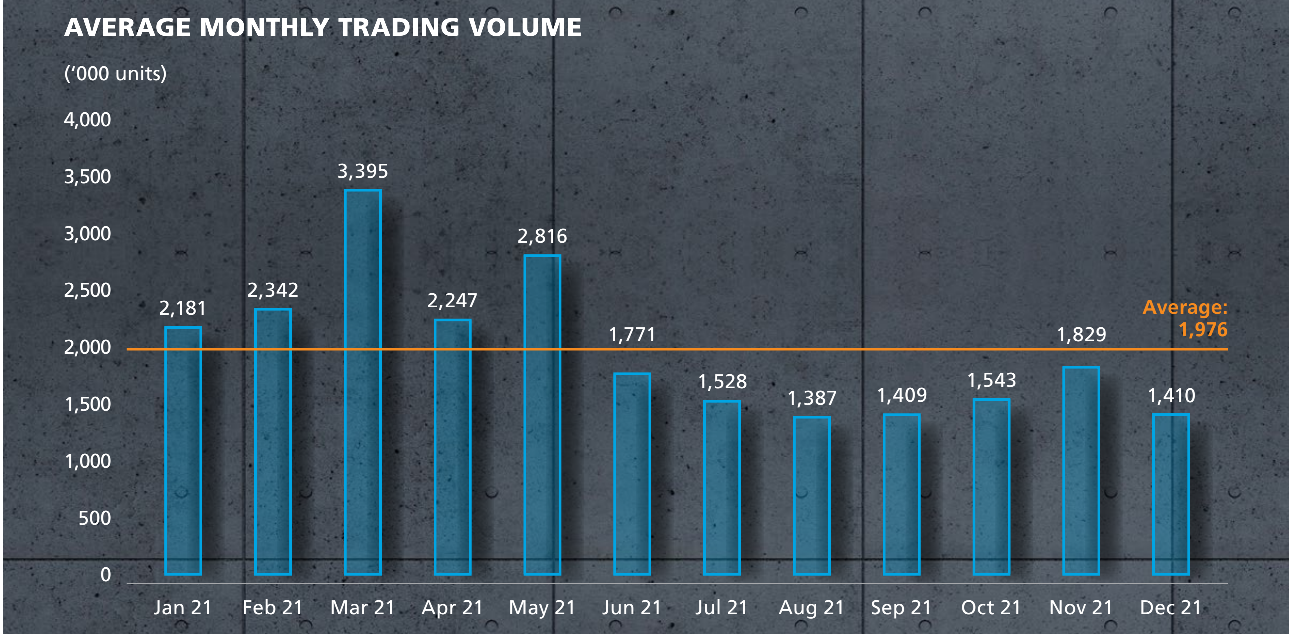
Income to be distributed per unit (DPU)[1]	₹			Singapore cents		
	FY 2021	FY 2020	YOY Change	FY 2021	FY 2020	YOY Change
1st Half (Jan - Jun)	2.31	2.44	(5%)	4.20	4.64	(9%)
2nd Half (Jul - Dec)	1.99	2.29	(13%)	3.60	4.19	(14%)
Full Year	4.30	4.73	(9%)	7.80	8.83	(11%)

1 Refers to income to be distributed and distribution per unit post retention of 10% income.

UNIT PRICE AND VOLUME



Period open	Period close	Period high	Period low
S$1.38	S$1.42	S$1.61	S$1.35



a-iTrust's total trading volume from January 2021 to December 2021 reached approximately 498 million units.

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

ABOUT THE REPORT

Ascendas India Trust (a-iTrust) is pleased to present its sixth annual Sustainability Report. This report reflects a-iTrust's dedication to sustainable and responsible growth, and provides an update on its goals, initiative, and progress on material Environmental, Social and Governance (ESG) matters.

International Standards and Guidelines

This report has been prepared in accordance with the SGX-ST Listing Manual Rule 711(B), Global Reporting Initiative (GRI) Standards: Core option, and GRI's Construction & Real Estate Sector Supplement (CRESS). The GRI Standards have been selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures that are relevant to a-iTrust. This report has also incorporated elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council, and references the United Nations Sustainable Development Goals (SDGs).

Reporting Scope and Period

This report covers a-iTrust's sustainability performance for the period from 1 January to 31 December 2021 (FY 2021), with relevant prior data for the comparable period from 1 January to 31 December 2020, where relevant. The scope of this report covers a-iTrust's portfolio[1], comprising the seven IT parks listed in Figure 1 below.

Figure 1: Portfolio in Reporting Scope for FY 2021

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

Feedback

Feedback from a-iTrust's stakeholders is welcome as it enables continual improvement in the Trust's policies, processes and performance. Please send your comments and suggestions to **cheah.yingsoon@a-itrust.com**.

a-iTrust Board Statement

At a-iTrust, sustainability is a vital element of our strategic planning and implementation roadmap. We are committed to growing in a responsible manner, delivering long term economic value and contributing to the environmental and social well-being of our communities. The material Environmental, Social and Governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of Directors together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource-efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative.

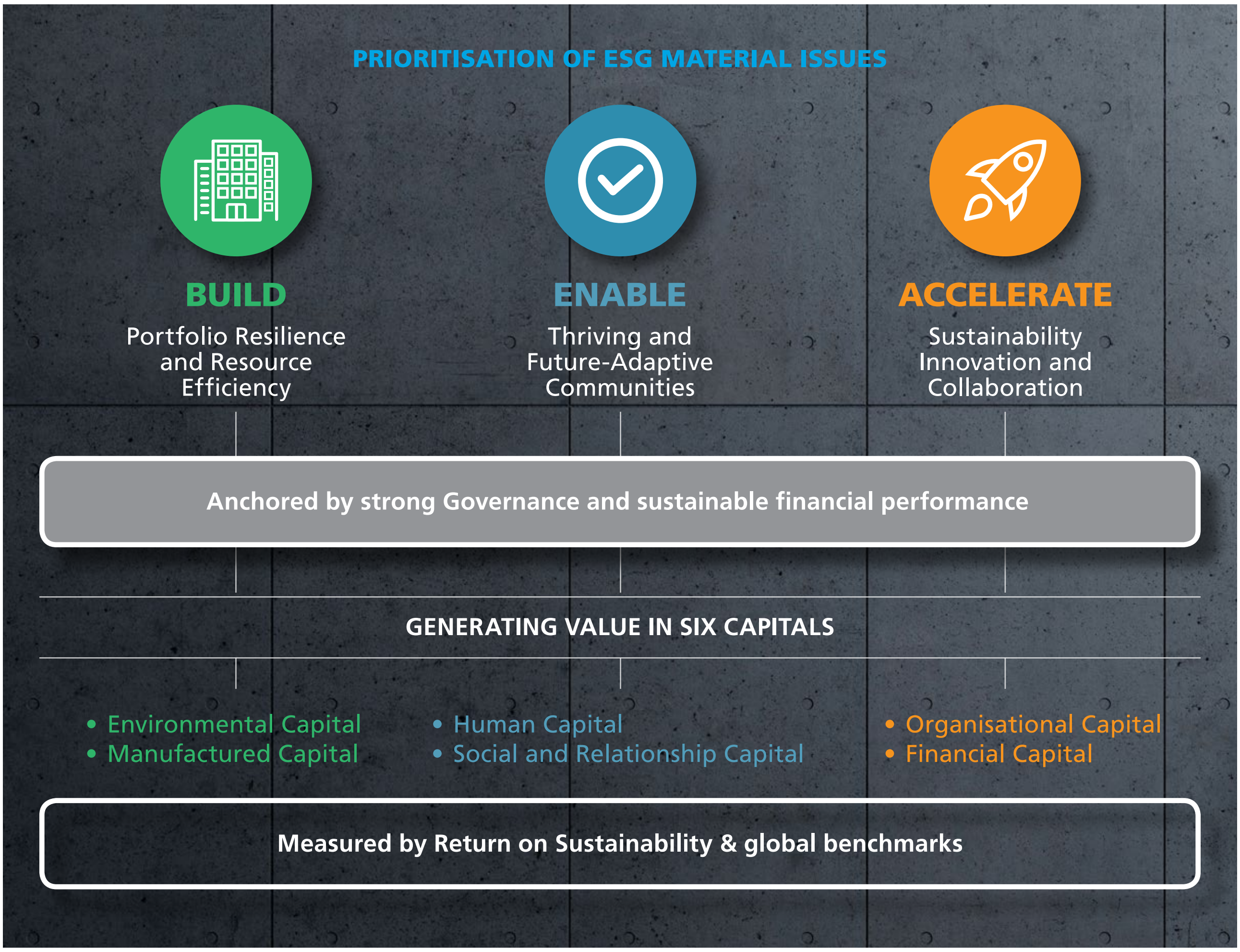
The Board is responsible for overseeing a-iTrust's sustainability efforts and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. a-iTrust's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices, and are cascaded throughout the organisation.

1 The report excludes (i) the six operating warehouses at Arshiya Free Trade Warehousing Zone in Panvel, as the Trust has a master lease and does not manage operations of the logistics facilities, (ii) aVance 6 in aVance Hyderabad as it was only acquired in March 2021, (iii) Building Q1 in Aurum Q Parc, Navi Mumbai as the IT SEZ building was only acquired in November 2021 and (iv) 6.6-acre land in Airoli, Navi Mumbai which is to be developed into a new data centre campus.

SUSTAINABILITY COMMITMENT

In 2020, CapitaLand unveiled its 2030 Sustainability Master Plan to elevate the CapitaLand Group's commitment to global sustainability in the built environment, given its presence in more than 230 cities and over 30 countries. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts, enabling CapitaLand Group to create a larger positive impact for the environment and society.

As a CapitaLand Investment sponsored business trust, a-iTrust aligns its sustainability objectives and strategies with CapitaLand Group. It is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio operations and project development. a-iTrust will steer towards the pathways set by CapitaLand and keep adapting its strategies as technologies evolve and new scientific data become available. CapitaLand has identified five pathways to achieve its sustainability objectives:



- **Integrate sustainability in CapitaLand's real estate life cycle**
  From the earliest stage of its investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets are embedded in policies, processes, best practices, and key performance indicators of its business operations.

- **Strengthen innovation and collaboration to drive sustainability**
  CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values.

- **Leverage sustainability trends and data analytics**
  This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emissions and health and safety. These measurements are key to driving performance improvement across its properties.

- **Monitor and report progress to ensure transparency**
  As CapitaLand tracks its sustainability progress, it will look to validate its performance by external assurance and align its Sustainability Report to international standards.

- **Increase engagement and communication with key stakeholders**
  CapitaLand will increase engagement to build awareness among its employees, investors, customers and communities, and collectively effect transformational change to achieve its 2030 targets.

Push Boundaries of Change

To push the boundaries of change, CapitaLand will transit to a low-carbon business that is aligned with climate science. In November 2020, it had its emissions reduction targets aligned with the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CapitaLand is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact.

CapitaLand has launched the inaugural CapitaLand Sustainability X Challenge (CSXC), a sustainability focused innovation challenge, that sources for emerging sustainability technologies in the built environment globally. The CSXC covers seven challenge statements which reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CapitaLand aims to be a leader in sustainable finance and intends to secure S$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company. a-iTrust secured sustainability-linked loans totalling S$250 million in 2021.

Measured against Global Benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps to overcome the challenges in sustainability reporting that may arise from its portfolio of diverse asset types and geographical presence globally.

CapitaLand is also a signatory to the United Nations (UN) Global Compact and its Global Sustainability Report serves as its Communication on Progress, which will be made available at **www.unglobalcompact.org** when published.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified - Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook. CapitaLand Investment Global Sustainability Report 2021 will be published by 31 May 2022. CapitaLand Investment Limited (CLI) is ranked the top real estate company globally and top Singapore company on the 2022 Carbon Clean 200 (Clean200).

CapitaLand Investment Global Sustainability Report 2021 will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. CapitaLand will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs), and the Sustainability Accounting Standards Board (SASB). It also plans to enhance its climate-related disclosure and implementation in line with the Taskforce for Climate-related Financial Disclosure (TCFD). It will continue to be externally assured to AA1000 Assurance Standard. The report will cover the CapitaLand Investment Group's global portfolio and employees, including the listed real estate investment trusts (REITs) and business trusts - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Trust, unless otherwise indicated.

SUSTAINABILITY DURING COVID-19 PANDEMIC

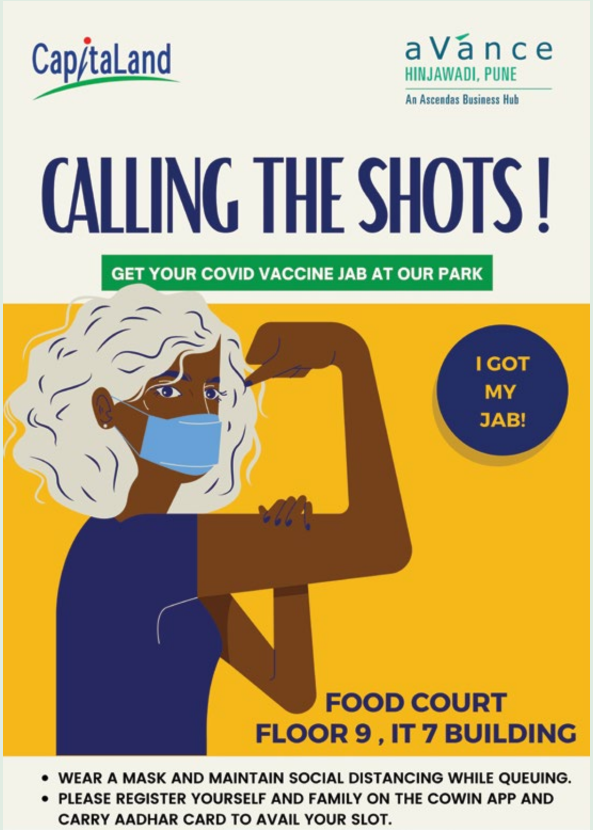
In 2021, India was significantly affected by the COVID-19 pandemic. In particular, India suffered a second wave of COVID-19 cases, which peaked in May-June 2021, resulting in various lockdown measures during that period, based on guidance by local governments.

a-iTrust has had to continue adjusting its sustainability approach to accommodate the evolving situation on the ground. Every response taken by a-iTrust considers the well-being of all its stakeholders. Under the Board's guidance and the active involvement of the Trustee-Manager and Property Manager (the Managers), effective action was taken across a-iTrust's properties to safeguard the health, safety, and wellness of its tenants and suppliers. The Trust worked closely with its stakeholders to ensure that the impacts of the pandemic are minimised. The following section summarises the Trust's response in navigating the pandemic in 2021 with its stakeholders.

Employee Care

The Managers continued to implement precautionary measures to take care of the safety and total well-being of its staff. Enhanced cleaning measures were implemented in the work areas. Where possible, staff had the flexibility to work from home with the support of telecommuting technologies. To ensure the total well-being of its staff, the Managers have been engaging them through CapitaLand online platforms including pulse surveys, virtual townhalls and online activities such as online learning, competitions etc. Resources such as financial assistance channels, other employee assistance programmes and healthcare hotlines were also circulated via emails.

With the availability of COVID-19 vaccines, the Property Managers worked closely with government/ health authorities to organise vaccination drives across a-iTrust's properties such as in Bangalore, Chennai, Hyderabad and Pune since mid-April 2021. All employees and their families were invited to participate in these vaccination drives. Further, free COVID-19 RT-PCR testing camps were also conducted to curb the spread of the COVID-19 virus within the Property Manager's workforce. All eligible Property Manager's staff are fully vaccinated.



Tenant Relationship

a-iTrust's business parks remained operational throughout 2021 to support tenants' operations. As most within the park community continued to work-from-home, a-iTrust held various virtual engagement activities to connect with them. To provide a safe environment for tenants and the park community, the Managers enhanced hygiene measures and employed contactless technologies. To enhance indoor air quality and reduce the potential spread of COVID-19, the Managers have successfully installed Ultraviolet Germicidal Irradiation (UVGI) in approximately 98% of all Air Handling Units (AHUs) across a-iTrust's portfolio properties and will complete the remaining installations by the first quarter of 2022.

The Managers also worked closely with government/health authorities to organise multiple vaccination drives across the Trust's parks (including within Park Square Mall in ITPB) for tenants and retail customers who visit Park Square Mall.

Going above and beyond local regulations, a-iTrust voluntarily committed rental reliefs to a majority of retail tenants to support them through a difficult operating period. In addition to direct financial support, the Trust has also continued to increase its social media and marketing campaign efforts for consumer outreach to increase mall footfalls to support the retail tenants.

Supplier Management

There were no significant disruptions to a-iTrust's supply chain during the COVID-19 pandemic. Using Zycus, an online Procure-to-Pay supplier management platform, tender calling and awarding of contracts could be conducted digitally and remotely.

During the lockdown period in India, a-iTrust provided temporary lodging in addition to providing basic amenities for its contractors, including food supplies, personal protective equipment, and precautionary kits. This helped to reduce the exposure of these contractors to the virus and provided assurance to the Trust's tenants that the workers on-site in the IT parks were well-protected.

Community Engagement

Through CapitaLand Hope Foundation (CHF) in India, a-iTrust has funded various COVID-19 related initiatives to support the frontline healthcare workers, hospitals and communities around the Trust's parks. CHF and the Managers procured and donated medical supplies and equipment, set up a temporary COVID-19 Care Centre at ITPB, as well as teamed up with several corporates to set up a 40-bed children's ICU facility in a Bangalore hospital to provide medical support for the park's tenants and wider Bangalore community. In Chennai, CHF installed and handed over a 60-metric tonne fully-equipped Oxygen Generation Plant which can provide oxygen supply for up to 100 beds, to the Government Stanley Medical College Hospital, Chennai.

Please refer to pages 92 - 94 for more details of the community initiatives.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

Strategic Sustainability Management Structure

Board of Directors

CapitaLand Sustainability Council
Strategic oversight of ESG policies and integration

CapitaLand Management Council
Strategic management of ESG implementation across the Group

Various Sustainability Work Teams
involving business units and corporate departments, covering:
- Investments
- Environment, health and safety
- Innovation
- Stakeholder engagement
- Enterprise risk management

All Staff

CapitaLand's sustainability management comes under the purview of CapitaLand Sustainability Council. The Sustainability Council comprises selected CLI Board's independent directors and members of the CapitaLand Executive Committee. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. It was chaired by one of CLI's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. Each business unit has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where the Group operates with support from various departments. This governance is cascaded from the CapitaLand Group level to a-iTrust through the India Business Park EHS Committee.

Representatives in the EHS Committee oversee the Trust's properties to drive park initiatives. The Trustee-Manager's Board is updated regularly on sustainability matters related to the Trust, including its sustainability management performance, key material issues identified by stakeholders, and planned follow-up measures. The Managers work closely together to carry out strategies and relevant activities per CapitaLand's sustainability framework and policies.

CapitaDNA
Visions, Mission, Credo and Core Values

CORE VALUES
WINNING MINDSET | ENTERPRISING | RESPECT | INTEGRITY

COMMITMENT TO OUR STAKEHOLDERS

We create great customer value and experiences through high-quality products and services	We deliver sustainable unitholder returns and build a strong global network of capital partners	We develop high-performing people and teams through rewarding opportunities	We care for and contribute to the economic, environmental and social development of communities
for our **CUSTOMERS** Tenants, shoppers	for our **INVESTORS** including business partners	for our **PEOPLE** Staff	for our **COMMUNITIES** Government agencies/ NGOs, general public, the environment, suppliers/contractors

MATERIALITY

a-iTrust is guided by CapitaLand's regular review, assessment and feedback process in relation to ESG topics. Key to this is an annual CapitaLand Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

Guided by CapitaLand's 2030 Sustainability Master Plan (SMP), CapitaLand elevated the Group's commitment to global sustainability in the built environment by identifying and reviewing material issues that are most relevant and significant to the Group and its stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development. In 2021, a-iTrust has conducted a review of its material ESG issues while considering the context of the COVID-19 pandemic. The existing ESG issues have been deemed to be material and relevant to a-iTrust's business and operating context. For more information on stakeholder engagement, please refer to the Social and Relationship Capital, Human Capital and Environmental Capital chapters of this report.

Prioritisation of ESG Material Issues

2030 SMP - Sustainability Pillars	Material ESG Factors/Indicators	
	Key material issues	**Medium priority**
BUILD Portfolio Resilience and Resource Efficiency	• Climate change and carbon reduction • Energy efficiency • Water management	• Waste management • Biodiversity
ENABLE Thriving and Future-Adaptive Communities	• Occupational health & safety • Human capital • Stakeholder engagement • Supply chain management • Diversity (board and staff)	• Human rights
ACCELERATE Sustainability Innovation and Collaboration	• Product and service (including customer health and safely)	
Anchored by strong governance and sustainable financial performance	• Compliance • Business ethics	

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

a-iTrust remains committed in creating long-term and sustainable value for its stakeholders. It continues to leverage on the six Capitals, aligned with that of CapitaLand's – Environmental, Manufactured, Human, Social and Relationship, Organisational and Financial. ESG material issues are grouped into these six Capitals and mapped against eight UN SDGs that are most aligned with the CapitaLand's Sustainability Master Plan 2030 targets, and where it can achieve the greatest positive impact.

SMP Pillars and Focus Areas	Our Commitments	2021 Value Created	Capital
BUILD **Portfolio Resilience and Resource Efficiency** • Low Carbon Transition • Water Conservation and Resilience • Waste Management and Circular Economy	• Transit to low carbon business and reduce energy consumption through improved energy efficiency and increased use of renewable energy • Reduce water consumption, reuse water and prevent water pollution • Green our operational portfolio by 2030 • Strengthen climate resilience of our portfolio by addressing climate related risks and opportunities throughout the real estate lifecycle	• 81% of a-iTrust's business park buildings are certified either with IGBC or USGBC LEED green ratings • Achieved 15.4%[2] reduction of energy consumption • 53.7%[2] of total landlord energy consumed was from solar energy • 42.5%[2] reduction in water usage	**Environmental Capital** **Manufactured Capital** 

2 Compared to base year 2020. This reduction may not be reflective of the Trust's future performance due to lower physical occupancy in both 2020 and 2021 in view of the COVID-19 pandemic.

SMP Pillars and Focus Areas	Our Commitments	2021 Value Created	Capital
ENABLE **Thriving and Future-Adaptive Communities** • Dynamic Human Capital • Healthy and Safe Buildings • Proactive Customer Relationship Management • Robust Supply Chain Management	• a-iTrust believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. a-iTrust adopts consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff • CapitaLand is a signatory to the UN Global Compact. a-iTrust's practices are aligned as a CLI-sponsored business trust • a-iTrust aims to provide a work environment that is safe and contributes to the general well-being of the staff, tenants, contractors, suppliers and the communities that use its properties • CapitaLand's Supply Chain Code of Conduct guides a-iTrust's supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management • Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions • a-iTrust is committed to activities that are aligned with its focus on community investment • Promote sustainability within the tenant community	• Zero employee injuries and fatalities during the reporting period • No reported incident relating to staff discrimination; child labour or forced labour in a-iTrust project sites • Ratio of male to female employees of Trustee-Manager at 1:0.6 • Employee turnover of 12.5% during the reporting period • Average of 15.4 hours of training for all employees including digital training courses • In FY 2020, a-iTrust obtained the British Safety Council accreditation for its effective control measures for COVID-19. In FY2021, the Trust ensured the continued implementation of those same measures to maintain our vigilance against the COVID-19 pandemic • Tenant engagement through virtual events. Refer to page 35 of a-iTrust Annual Report 2021 • Carried out vaccination drives across the Trust's properties for employees, tenants, suppliers and local community	**Human Capital** **Social and Relationship Capital** 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
ACCELERATE **Sustainability Innovation and Collaboration** • Sustainable Operational Excellence • Sustainable Finance • Sustainability Innovation and Technology	• Maintain safe, accessible, vibrant and quality real estate developments to enhance the lives of its tenants and members of the community • Integrate ESG performance with financial metrics • Actively embrace innovation to ensure commercial viability without compromising the environment for future generations	• Refer to Corporate Governance section on pages 104 - 139 of a-iTrust Annual Report 2021 • a-iTrust secured 2 new five-year unsecured sustainability-linked loan facilities from UOB totalling S$250 million in 2021 (approximately 25% of a-iTrust's loan books) • Refer to Financial Review on pages 54 to 59 of a-iTrust Annual Report 2021	**Manufactured Capital** **Organisational Capital** **Financial Capital** 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS

ENVIRONMENTAL AND MANUFACTURED CAPITAL

a-iTrust is committed to minimising its environmental impact as a real estate business trust. It believes that lowering the environmental footprint of its buildings through innovation creates value for its stakeholders.

The Managers strive to develop and implement environmentally friendly features in the Trust's properties and improve overall energy efficiency. They also consider environmental sustainability throughout all stages of any Asset Enhancement Initiative (AEI), development and redevelopment. Monitoring environmental impacts is integral to the Trust's business operations, as the efficient use of environmental resources such as energy and water contributes to the operational efficiency and long-term sustainability of the Trust.

Material Issues

- Climate Change and Energy
- Water
- Waste
- Biodiversity

Framework	
Policy and Objectives	• Identify opportunities in managing its property portfolio to deliver long-term benefits • Reduce energy consumption and encourage renewable energy sources • Reduce water consumption and encourage the use of treated/recycled water • Manage waste through construction efficiency and encourage recycling • Manage biodiversity to contribute positively to the natural environment • Engage stakeholders to encourage them to play their part
Accountability	• Setting performance targets linked to remuneration for employees, and monitoring energy and water usage, waste generation and carbon emissions performance through the Environmental Tracking System (ETS) • Use of the ISO 14001-certified Environmental Management System ensures accountability to relevant Managers and all employees
Methods/Action plan	Environment Management System (EMS) • Compliance with local environmental laws and regulations • Identify significant environmental aspects and manage impact • Implementation of Sustainable Building Guidelines (SBG), an in-house guide that ensures holistic incorporation of environmental considerations throughout all stages of the Trust's properties' life cycles • Appointment of ISO 14001-certified main contractors or conduct EMS legal compliance on site To contribute towards CapitaLand Group achieving the following operational targets (baseline 2008) by 2030: • Reduce carbon emission intensity by 78% • Reduce energy consumption intensity by 35% in day-to-day operations • Increase proportion of total electricity consumed from renewable sources to 35% • Reduce water consumption intensity by 45% in day-to-day operations • Achieve 25% recycling rate in day-to-day operations • Divert 75% of construction waste from landfill
Stakeholder engagement	• Require and indicate preference for ISO 14001 main contractors/vendors • Share CapitaLand EHS policy with suppliers and service providers • Share and encourage end users, including tenants and the general community, to adopt environmentally sustainable habits

Top Management Commitment and Staff Involvement

Initiatives associated with environmental and safety performance in India are driven by representatives from the Property Manager in CapitaLand's EHS committee, with the CEO of CapitaLand India Business Parks as India Business Park EHS Champion. This committee maintains the Group's EHS Management System as the CapitaLand Environment Sustainability Working Team and supports the work of CapitaLand's Sustainability Council.

All staff are involved in reducing a-iTrust's environmental footprint. They are encouraged to be forthcoming and to report all incidences of environmental-related issues and complaints, as well as incidences of non-compliance and non-conformities.

Managing our Environmental Footprint

a-iTrust has adopted CapitaLand's EMS as a key tool in managing its environmental footprint across its entire portfolio. The EMS is integrated with the Occupational Health and Safety Management System (OHSMS) to form CapitaLand's Environmental, Health and Safety Management System EHSMS, and certified to the requirements of ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health & Safety) Standards.

Risk Management of Environmental Aspects and Impact

The EMS provides a systematic approach to manage a-iTrust's environmental impact and to continuously improve its environmental performance. A key element of the EMS is to identify and manage issues within the business operations that can potentially have a negative impact on the environment. The significance of each environmental aspect and impact is assessed based on factors such as the likelihood of the occurrence, severity of the impact and control measures implemented.

a-iTrust strives to minimise impacts such as resource depletion, carbon emissions and waste generation. The Managers proactively set environmental targets such as green building rating targets, carbon emissions, energy and water usage reduction targets and continually review and adjust the plans to meet these targets.

Training and Awareness

To facilitate effective implementation of the EMS, training and awareness programmes are planned and conducted for all staff. New staff are inducted to the EHSMS, as well as CapitaLand's EHS policy, and briefed on the roles they play. For the implementation of CapitaLand's EHSMS, Heads of Departments in administration, operations, and project development, including heads of operating properties, design managers and project managers, undergo more detailed training. Additionally, the Managers also conduct campaigns to create awareness about sustainability amongst the Trust's stakeholders.

Internal and External Audits

a-iTrust has in place an internal audit system which ensures the conformance and effective implementation of its EMS to ISO 14001 international standards. Internal audits are conducted at least once a year. Despite the COVID-19 pandemic, CapitaLand continued to conduct internal audits within the CapitaLand Group. Alternative audit modes such as virtual and/or hybrid of virtual and physical site audits were introduced to ensure the safety of CapitaLand staff and external auditors.

Green Building Rating, Benchmarks and Awards

Green certification for a-iTrust's buildings help to assure and demonstrate the quality of a-iTrust's portfolio. These green ratings serve as an external validation that key environment aspects have been considered in the Trust's design, development and operations. The Trust is committed to constantly align its portfolio with industrial best practices that improve the resource efficiency and environmental friendliness of its properties. a-iTrust remains committed to the CapitaLand Group's overall target of achieving green certifications for all new and existing high value buildings in its portfolio by 2030.

a-iTrust is pleased to announce that in FY 2021, in keeping with its green building commitment, seven of its existing buildings were upgraded to "Platinum" or "Gold" green ratings. A total of 25 buildings within the a-iTrust portfolio are certified at least IGBC or USGBC LEED Platinum or Gold as at 31 December 2021. Figure 2 provides an overview of these certifications and awards.

Figure 2: Sustainability Certifications

City	Property	Building	Award
Bangalore	International Tech Park Bangalore	Anchor (SEZ)	IGBC Platinum, Core & Shell
		Anchor Annex (SEZ)	IGBC Platinum, Core & Shell
		Aviator (SEZ)	IGBC Platinum, Core & Shell
		Creator	IGBC Platinum, Operations and Maintenance
		Discoverer	IGBC Platinum, Operations and Maintenance
		Explorer	IGBC Gold, Operations and Maintenance
		Innovator	IGBC Platinum, Operations and Maintenance
		Inventor	IGBC Gold, Operations and Maintenance
		Navigator	IGBC Gold, Operations and Maintenance
		Victor (SEZ)	USGBC LEED Platinum, Core & Shell
		Voyager (SEZ)	IGBC Silver, Core & Shell
Chennai	International Tech Park Chennai	Crest	USGBC LEED Gold, Operations and Maintenance
		Pinnacle	USGBC LEED Gold, Operations and Maintenance
		Zenith	USGBC LEED Platinum, Operations and Maintenance
	CyberVale	Lakeview	USGBC LEED Gold, Operations and Maintenance
		Springfield	USGBC LEED Gold, Operations and Maintenance
		Building 3	USGBC LEED Gold, Operations and Maintenance
Hyderabad	International Tech Park Hyderabad	Atria	USGBC LEED Gold, Core & Shell
		Capella	IGBC Platinum, Operations and Maintenance
		Orion	IGBC Platinum, Operations and Maintenance
	Cyber Pearl	Block A	IGBC Platinum, Operations and Maintenance
		Block B	IGBC Platinum, Operations and Maintenance
Pune	aVance Pune	Building 1	IGBC Platinum, Core & Shell
		Building 2	IGBC Platinum, Core & Shell
		Building 3	IGBC Platinum, Core & Shell

Target	Performance
Obtain 100% certification by a green rating system administered by a national government ministry/ agency or World Green Building Council (WGBC) recognised Green Building Council by 2030	In progress; 81%[3] of the buildings across the portfolio are certified either with IGBC or USGBC LEED green rating

CapitaLand Sustainable Building Guidelines

With guidance from CapitaLand's SBG, a-iTrust has incorporated environmental considerations throughout all stages of its properties' life cycles. The SBG emphasises four main goals (reducing carbon footprint and energy consumption, enhancing water management, minimising waste generation, and promoting biodiversity) and offers a structured process where respective persons-in-charge are accountable. The SBG is regularly reviewed to ensure continuous improvement.

A key component of the SBG is the mandatory Environmental Health Safety Impact Assessment (EHSIA) and will be carried out before any acquisition or development. The EHSIA focuses on identifying any environmental threats or opportunities related to the project site and its surroundings, covering areas such as floods, biodiversity, air quality, noise, connectivity, heritage, and resources. During the feasibility study and due diligence stage, significant findings of the EHSIA and their cost implications (if any) are incorporated in the investment paper submitted for approval. There are no properties in a-iTrust's portfolio located within protected areas and no material biodiversity risk has been identified.

3 Excludes Building Q1 in Aurum Q Parc, Navi Mumbai and aVance 6 in aVance Hyderabad which are scoped out for the purpose of this sustainability report

Tracking our Environmental Results

The primary impact of a-iTrust's operations on the environment is through its energy use, water use and waste generated in the operations of its buildings. To reduce its environmental footprint, a-iTrust has continuously explored new and innovative ways, focusing on the adoption of more efficient technologies that can reduce resource use.

To track environmental performance, a-iTrust utilises CapitaLand's cloud-based ETS platform. The ETS acts as a central point of consolidation and monitoring of energy and water consumption, carbon emissions and waste generation across the properties, allowing the Property Manager to conduct analysis against set targets and past trends to understand consumption patterns and identify areas for improvement.

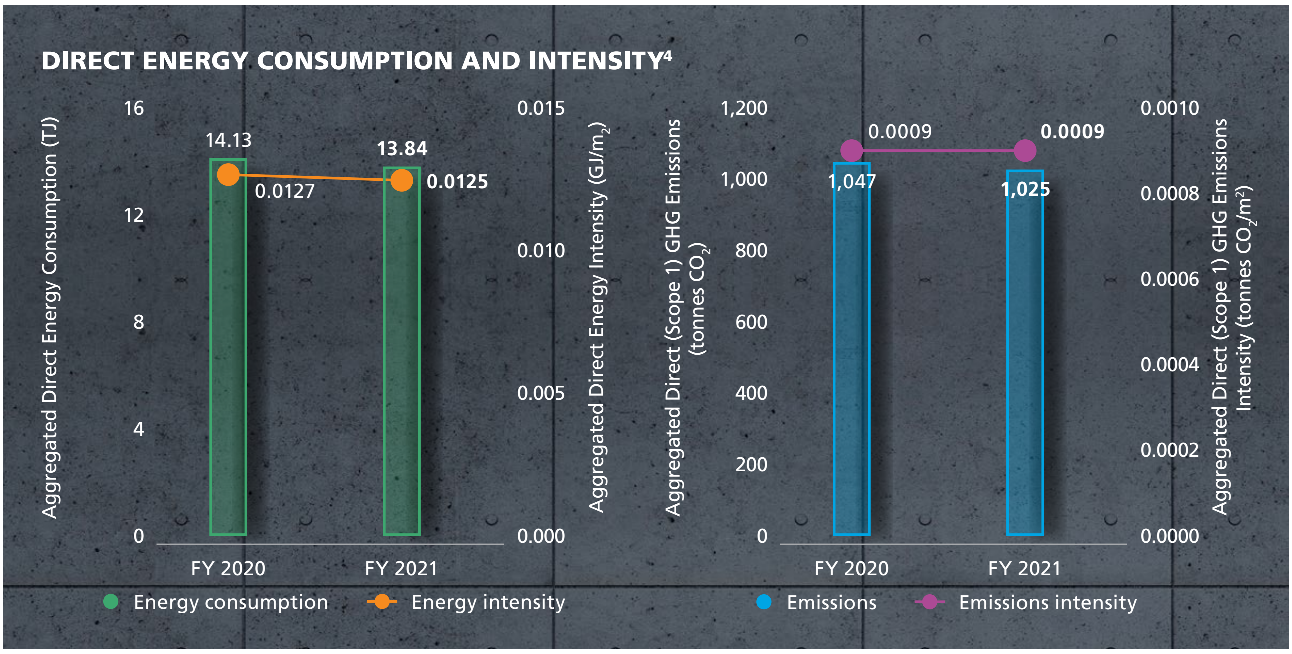
Majority of tenants in a-iTrust's business parks continued to work from home in 2021 due to COVID-19 in India. Lower footfall resulted in a significant drop in emissions and resource consumption during the year. Hence, the environmental performance of a-iTrust in 2020 and 2021, has improved, but are not reflective of typical performance. It is possible that resource consumption will increase from 2022 onwards as footfalls within a-iTrust properties return to normal. Despite this, a-iTrust has continued to enhance existing environmentally friendly initiatives from previous years and expanded the use across a larger number of its business parks. a-iTrust will continue to monitor its environmental performance closely and introduce initiatives that align with its environmental targets.

Energy and Carbon Emissions

The Trust's direct energy consumption comprises fuel consumption for emergency genset testing and diesel generators as well as the energy generated from solar rooftop installations in ITPB, ITPC, CyberVale, CyberPearl, aVance Hyderabad and aVance Pune.

In FY 2021, the Trust utilised 13.84 TJ of direct energy which resulted in 1,025 tonnes of CO_2. This represents a reduction of 2.1% in direct energy consumed across the Trust's operations.

Figure 3: Direct Energy Consumption and Intensity

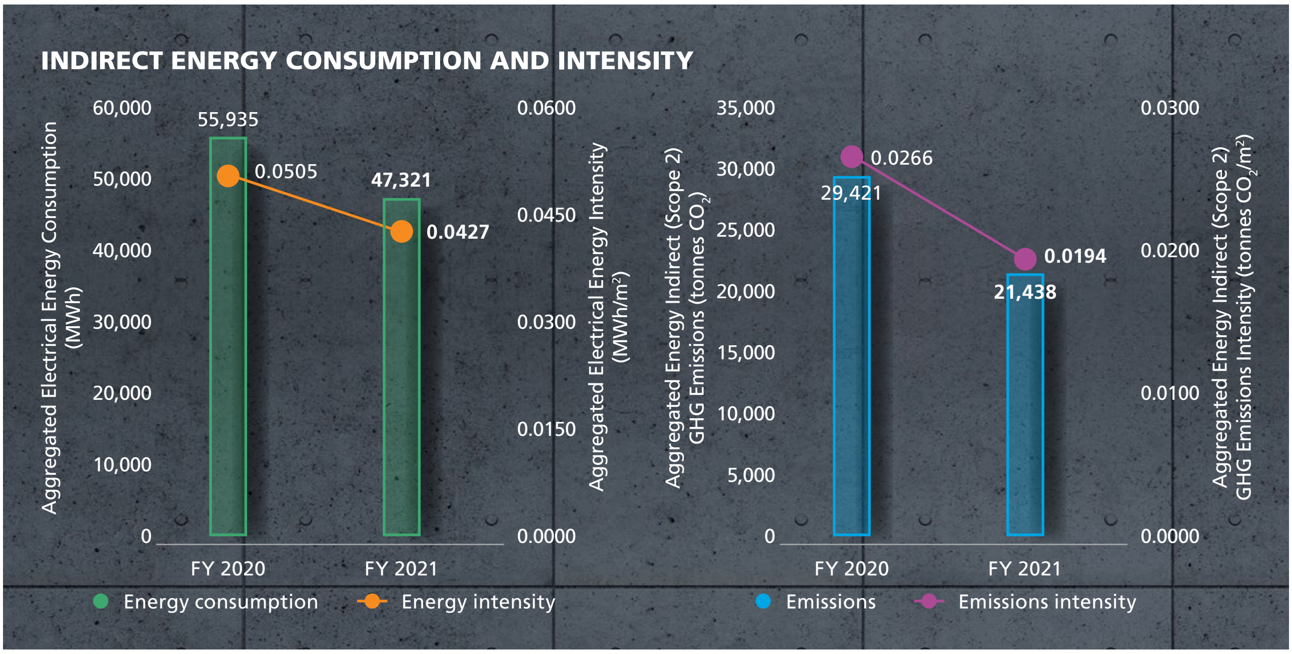


The Trust's indirect energy consumption is primarily derived from a mixture of traditional grid energy and solar energy from off-site solar farms. In FY 2021, the Trust utilised 47,321 MWh of electricity[4] which resulted in 21,438 tonnes of CO_2. Compared to the same period last year, there was a decrease of 15.4%[5] in energy use intensity across a-iTrust's parks. Additionally, there was a 27.1% drop in GHG

4 This refers to energy consumption for common areas and air-conditioning.
5 This reduction may not be reflective of the Trust's future performance due to lower physical occupancy in both 2020 and 2021 in view of the COVID-19 pandemic.

emissions from indirect energy consumption as compared to last year[6]. This decrease is in line with the Trust's move away from fuel-based captive power plants to the utilisation of green energy sources such as solar energy, which will be elaborated on in the following section.

Figure 4: Indirect Energy Consumption and Intensity



CASE STUDY 1

REDUCING ENERGY USE THROUGH MORE EFFICIENT CHILLERS

One of the major uses of energy within a-iTrust's business parks is the running of central cooling systems. In 2021, to improve our energy efficiency, a-iTrust introduced highly efficient and friction-free magnetic bearing water-cooled centrifugal chillers (MagLev chillers) at ITPB.

The chillers were installed and commissioned at the Explorer building to replace existing chillers which have reached their end of life. We expect a 10-15% reduction in energy use by the replacement of conventional chillers with MagLev chillers.

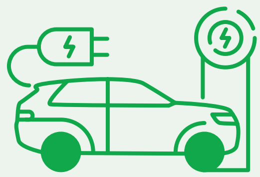
6 GHG emissions intensity and energy consumption intensity have been restated to account for proportion of renewable energy and its associated emissions from 2020, as well as recalculated GFA across the portfolio in 2020.

CAPITALAND SMART PARKS
Smart, Safe and Sustainable

CASE STUDY 2

INSTALLATION OF ELECTRIC VEHICLE (EV) INFRASTRUCTURE AT a-iTrust

In recent years, there has been a growing interest and adoption of electric vehicles in India. Recognising this trend and in support of low carbon transportation, a-iTrust has introduced EV charging stations across all its business parks in India. As at end 2021, the Trust has a total of 133 EV charging stations within its properties in India. a-iTrust is exploring further opportunities to expand the EV infrastructure network across the parks in alignment with the Indian Government's initiative to increase the penetration of electric vehicles in the country.



Renewable Energy

The adoption of renewable energy forms a core part of a-iTrust's strategy to reduce its carbon footprint. This renewable energy is a mix of off-site solar farms and solar panels on the rooftops of a-iTrust properties. The Trust has been installing solar panels on the rooftop of its buildings since 2014 and now has solar panels across all its parks' rooftops, except at ITPH which is undergoing redevelopment. While there were no additional sources of renewable energy installed onsite in 2021, a-iTrust is exploring further avenues to increase the renewable energy footprint across its parks both on and off-site.

Since 2014, the proportion of renewable energy has increased year-on-year. In total, the Trust used 25,405 MWh of renewable energy in FY 2021. This represents 53.7%[7] of the total energy consumed by landlord-controlled areas of a-iTrust's properties, compared to 48.4% in the previous reporting period. This is due to lower total energy consumption in 2021. The increased adoption of renewable energy has enabled the Trust to effectively reduce its indirect carbon footprint by approximately 25,176 metric tonnes of carbon dioxide in 2021.

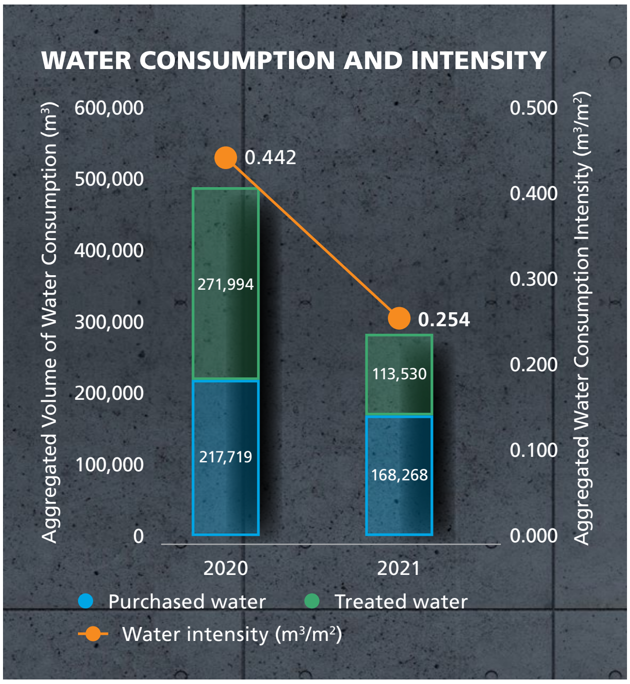
Water Management

Water scarcity remains an acute issue in India. The country's demand for water is consistently increasing along with its rapidly growing population and rising urbanisation. The Trust recognises the importance of implementing responsible water consumption practices in ensuring the long-term availability of water for the Trust and its communities. As its core activities heavily depend on a reliable water supply, the Trust constantly strives to optimise its water consumption through the use of new technologies and water saving practices such as using smart water meters.

To reduce freshwater use, a-iTrust has also looked into ways to harvest rainwater. Examples of such initiatives during the year include the installation of a 150 KLD[8] sump at ITPH, as well as installation of pipes and filters for collecting rainwater into the water tank at ITPC. Rainwater collected is used largely for landscaping activities.

In FY 2021, the Trust utilised 281,798 m^3 of water, a significant decrease of 42.5%[7] compared to the same period last year. a-iTrust's water use and water use intensity are shown in Figure 5 below.

Figure 5: Water Consumption and Intensity



Waste Management

a-iTrust is cognisant of the effects of wastage on the environment, and works closely with its park community to minimise and recycle the waste that is produced within its properties.

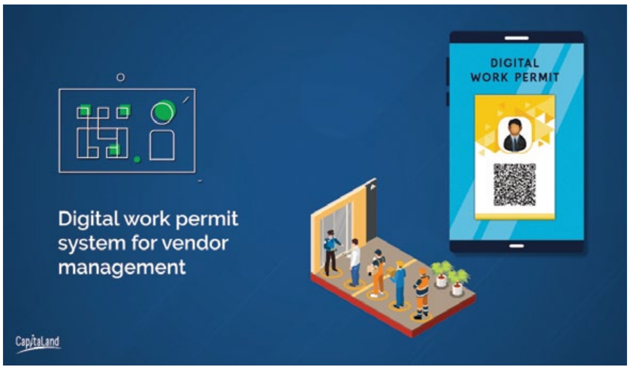
In FY 2021, a total of 413.3 tonnes of waste was generated, of which 63.4% was recyclable waste comprising paper, plastic metals and other materials. This marks a 25% drop in waste generation from FY 2020. Additionally, this fulfils one of CapitaLand's waste-related targets, which is to achieve a minimum 25% recycling rate in day-to-day operations. The Trust will look to maintain and improve upon this performance as it continues to examine and refine its initiatives and policies.

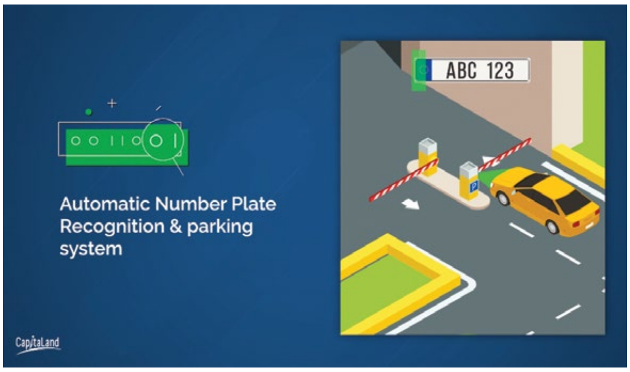
7 This reduction may not be reflective of the Trust's future performance due to lower physical occupancy in both 2020 and 2021 in view of the COVID-19 pandemic.
8 Kilo Litres per day

Paper Consumption Management in the Managers' Corporate Offices

Paper accounts for most of the waste generated from CapitaLand's corporate offices. As of 2020, all corporate offices under CapitaLand have reduced paper waste through the implementation of e-signatures, setting of paperless targets for corporate functions, digitalisation of documents, usage of "Follow me" printing to better track paper usage and minimise wastage, and deploying recycling bins (including secured bins) at the corporate office to encourage staff to recycle used paper.

The Managers actively promote the use of environmentally-friendly paper, such as FSC-certified paper. There is no printing of a-iTrust's Sustainability Report, which is available on its website. Through the "SmartParks" initiative, the Managers have also adopted contactless technologies such as the digital work permit for vendor management, as well as facial-based recognition system for security and attendance for all on-ground teams, which further reduces paper consumption.





HUMAN CAPITAL

Ensuring the health and safety of employees, asset and property managers, tenants, contractors, suppliers and the communities remains critical to the Trust's operations. Effective OHS management is part of risk management and enhances staff productivity and morale.

Material Issues

- Occupational Health and Safety (OHS)
- Safety and security of properties for stakeholders including staff, shoppers, tenants and the public
- Supply Chain Management
- Employment

Framework	
Policy and Objectives	• Identify and reduce occupational injury rates to achieve zero harm • Provide a robust OHS Management System (OHSMS) to meet and exceed OHS legal requirements • Promote a culture of individual ownership and responsibility for OHS management • Seek proactive support and participation from a-iTrust's top management, staff and stakeholders including tenants and supply chain (contractors and suppliers) • Drive continuous improvement in OHS performance through active participation in industry and national programmes to raise OHS standards
Accountability	• CEO is accountable • ISO 45001 certified OHSMS ensures accountability to the Managers and all staff • Key performance indicators (KPIs) are linked to remuneration of all staff of the Managers, including top management
Methods/Action plan	OHS Management System • Legal compliance • Identification of hazards and risk assessment • Sustainable Building Guidelines – Design for Safety (DfS) • Safe operations – OHS Standard Operating Procedures (SOPs) • Training and awareness • Give preference to ISO 45001 certified supply chain (vendors/suppliers) • Appoint ISO 45001 certified main contractors or carry out OHS legal compliance audit onsite KPI • OHS performance of staff • Stakeholder engagement
Stakeholder Engagement	• Educate key stakeholders including tenants and the wider community

Top Management Commitment and Staff involvement

CapitaLand champions OHS with commitment from the top management and staff participation through the EHS management system and stakeholder engagement activities. The CEO of the Trustee-Manager and CEO of CapitaLand India Business Parks are accountable for overall OHS performance of a-iTrust and its properties. All staff assume personal responsibility towards OHS and are encouraged to raise any instances of OHS-related incidents which can include non-compliances and non-conformities to the respective business unit management representatives. A list of the respective business unit representatives is made available and maintained on the CapitaLand intranet. Additionally, the OHSMS includes provisions for the consultation and participation of workers, such as determining the mechanisms for worker involvement and providing time, training and resources.

Robust OHS Management System

a-iTrust's approach to health and safety is guided by its OHSMS, which is governed by CapitaLand's EHS policy that outlines the company's commitment to manage OHS issues. For more details of the EHS policy, please refer to the EHS policy outlined in the Environmental Capital chapter of this report.

Certified to International Standards

The OHSMS has been externally audited by a third-party accredited certification body to ISO 45001. This coverage encompasses all business functions including property management, property development, corporate management and operations.

Internal and External Audits

a-iTrust has put in place an internal audit system to ensure compliance and effective implementation of its OHSMS to the ISO 45001 standards. In addition, external audits are conducted annually by an accredited third-party certification body. These audits provide assurance to top management and external investors of its OHSMS, legal compliance requirements and commitment to best practices.

Compliance

Legal requirements are reviewed on a quarterly basis, and compliance to these requirements are evaluated annually. There were no instances of non-compliance in a-iTrust's properties in FY 2021.

Risk Management of OHS Hazards

The Managers strive to identify OHS hazards, assess their risks, and eliminate or minimise OHS hazards and risks though a suite of measures. Hazards Identification and Risk Assessments (HIRA) are reviewed annually or when appropriate, for instance, following a change in processes. Hazards include poor ergonomics, falling from height, falling objects and working in an enclosed space. The Managers have put in place various standard operating procedures (SOPs) to minimise the occurrence of such hazards to safeguard the well-being of the Trust's workforce.

Training and Awareness

To facilitate the effective implementation of the OHSMS, training and awareness programmes are organised for full-time staff, as well as contract staff of a-iTrust. The training syllabus provides comprehensive coverage of safety culture and practices, and includes safety induction training, critical activity training, and daily toolbox talks, among others. In addition, staff are briefed on how to respond to OHS incidents at the workplace. As part of staff well-being initiatives, the CapitaLand Group organises wellness day periodically, emphasising the importance of mental, physical, and emotional wellness for all staff. Staff are encouraged to participate in wellness related activities and programmes.

In FY 2021, new OHS trainings have taken place throughout the year. These training focus on a range of topics including fire safety, security management and systems as well as on management of visitors during the context of a pandemic.

Measures to Mitigate Risks of Serious Diseases

a-iTrust responds to the threat of serious diseases in a timely manner by putting in place appropriate measures to mitigate risks. Safety measures are constantly being reviewed and updated in accordance with local and state advisories and regulations, as well as any group-wide procedures. Information on pandemic planning is made readily available for all staff on the intranet, and the human resource department disseminates all medical and travel advisories to its staff. In response to the health and safety risks from COVID-19, and in light of the lockdowns and various restrictions experienced in India in 2021, a-iTrust has continued to take proactive steps to protect its business park tenants and employees.

CASE STUDY 3

MANAGEMENT OF COVID-19 IN INDIA

India experienced a second wave of COVID-19 beginning in April 2021, which saw increased hospitalisation, death, and medical supply shortage. Cognisant of the fact that a-iTrust plays a role in the community and society at large, the Managers continued to enhance measures to minimise the spread of the virus.

The Trust maintained stringent health and safety measures at its parks and ensured compliance with all regulations. These include:

- Temperature screening at all entry points into the business parks
- Thermal imaging at strategic locations
- Contactless technologies
- Anti-microbial coating
- Utilisation of UVGI technology for the disinfection for the air-handler units

Additionally, a-iTrust recognises the importance of caring for all stakeholders. To that end, the Trust conducted RT-PCR and vaccination drives in all its parks, for its service partners, tenants, and their families.

All of the Trust's IT parks have been accredited with the British Safety Council (BSC)'s global benchmarking certification for COVID-19 control measures. As an assurance assessment, the certification affirms the efficacy and compliance of the Trust's COVID-19 measures, including its policies and procedures in accordance with requirements set by the Indian government, UK government, and sector-specific guidelines.

COVID-19 Care Centre at ITPB

Measuring our Safety Performance

In FY 2021, there were zero work-related fatalities, high consequence[9] injuries, and occupational diseases recorded. As part of its OHSMS, a-iTrust will continue to monitor its OHS performance, reinforce safety standards and review its procedures for improvement.

Perpetual target	Performance
Zero incident resulting in staff permanent disability or fatality	Achieved
Maintain ISO 45001 certification for its OHSMS	Achieved

9 A high-consequence injury is a work-related injury that results in a fatality or an injury from which the worker cannot, or does not, or is not expected to recover fully to pre-injury health status within 6 months.

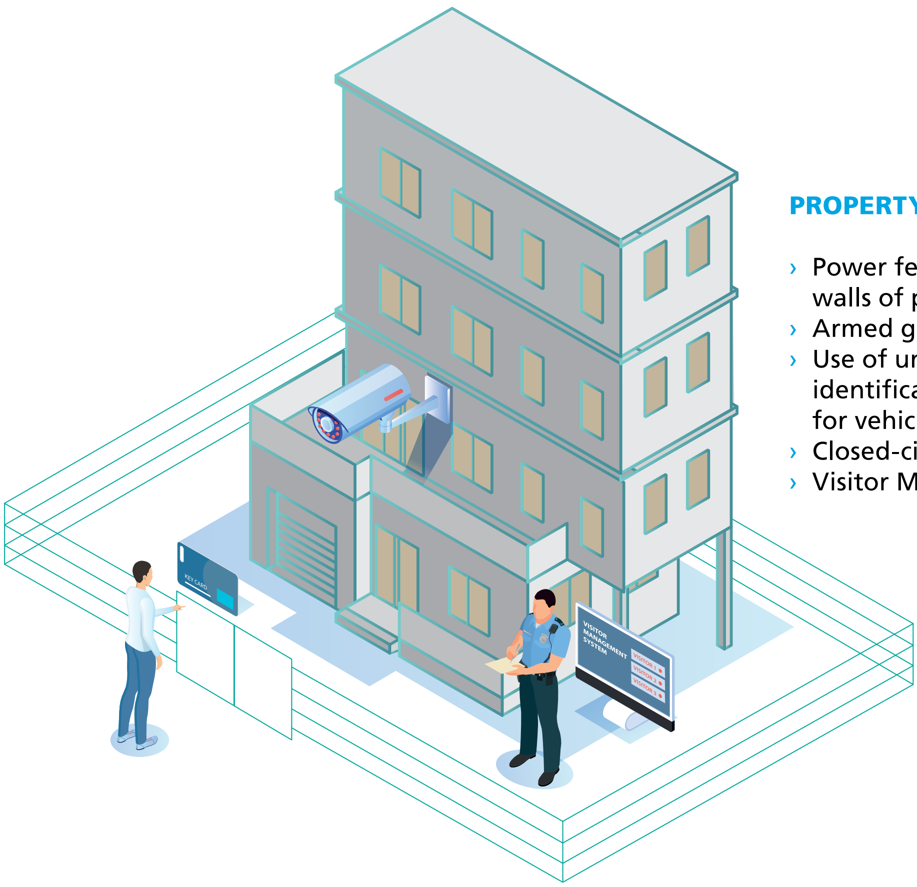
Security and Safety at Business Parks

a-iTrust is committed to provide a safe and secure environment for its employees, tenants and customers. The Trust places high priority on ensuring the security of its assets and takes a proactive approach by implementing various security measures and physical protection practices, and leveraging security technologies, including power fencing, unique hologram identification stickers for vehicles and personnel, and closed-circuit television (CCTV) systems.

The Managers recognise the need for constant vigilance and readiness and interact closely with external security vendors to review procedures and ensure that they are well-equipped with the skills to anticipate, identify and manage security threats.

Standard procedures such as building evacuation, video surveillance backup and visitor identification checks are in place. Additionally, the Property Manager liaises with the local police, the State Intelligence Bureau and the Centre for Counter-Terrorism to stay abreast of any recent developments that may require them to intensify their security plans.

Figure 6: Examples of Security Practices at the IT Parks



PROPERTY SECURITY

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

CASE STUDY 4

NATIONAL SAFETY WEEK

a-iTrust and the Managers celebrated India's 50th National Safety Day by organising numerous safety awareness events across its parks for a week from 4 to 12 March 2021 for its employees. The Safety Week was held to remind employees of the need to keep safety in mind at all times, including workplace safety, health safety and road safety.

Some of the events organised by a-iTrust/the Managers during the National Safety Week included:

- Virtual seminars with external experts, where certified professionals were invited to deliver seminars to employees on the various aspects of safety, such as 'Fire & Life Safety' and 'Roles and Responsibilities of a Manager'.
- Safety Quiz Competitions for employees. 80% of all participants scored 80% and above for these safety quizzes. The top 3 winners were awarded an appreciation certificate from CapitaLand India.
- Innovative Safety solution contest which provided employees an avenue to propose opportunities of improvement either through adoption of new technology or improvement in process which may help to enhance safety operations within the parks. 36 innovative ideas were received across the parks from this contest.
- Mock Drills. Road safety skid drills and fire drills were among the simulations carried out during the Safety Week celebrations, to ensure that employees of the Trust are up-to-date and capable of carrying out the SOPs for the relevant hazards in their areas of operation.

Supply Chain Management

CapitaLand works closely with its contractors and suppliers to commit to high-quality environmental, health and safety standards. Contractors are only appointed for its projects upon meeting the Group's stringent selection criteria.

The Managers are guided by CapitaLand's Supply Chain Code of Conduct to influence its supply chain to operate responsibly in the areas of anti-corruption, human rights, health, and safety, as well as environmental management.

Vendors and Service Providers

All vendors are required to declare their adherence to CapitaLand's Supply Chain Code of Conduct at point of enrolment for submission of quotation or tender. In all term contracts, the Managers have stipulated for Risk Assessment Forms and vendors are requested to submit a copy of their risk assessments in cases where their activities may affect the occupational health and safety of the staff or visitors. For contractors, house rules stipulate requirements such as deploying personal protective equipment, reporting of accidents and proper disposal of debris and toxic waste.

To manage its suppliers, a-iTrust employs Zycus, an online Procure-to-Pay platform that can be accessed by its suppliers. Under Zycus, all new Property Management suppliers appointed in 2021 were screened using social and environmental criteria. Performance of the contractors is monitored regularly and reflected in contractor performance evaluation ratings. Suppliers' finances are also checked in accordance with CapitaLand's Contractor Financial Check to ensure fiscal sustainability.

Human Rights

CapitaLand has an integrated human capital strategy to recruit, develop and motivate employees. Key performance indicators (KPI), both for the business and people development, are in place to ensure that employees' performance goals are aligned with the Group's business objectives. Employees are provided with appropriate development opportunities to perform well in their job.

Anti-Child Labour and Anti-Forced Labour

a-iTrust is against any form of coerced labour and discrimination. As a CLI-sponsored business trust, it adheres to international human rights principles including the Universal Declaration of Human Rights and the International Labour Organisation Conventions.

In 2021, there was no reported incident relating to discrimination, child labour or forced labour in a-iTrust, and the company had no employees below the age of 16.

Diversity and Inclusion

a-iTrust embraces diversity and inclusivity regardless of age, religion, gender, race, nationality and family status. The Managers believe that all employees can make substantial contributions based on their diverse talent, expertise, and experience.

The Trust identifies talent internally and externally to build bench strength and a talent pipeline for leadership succession planning. It recruits talent through a network of local and overseas universities and attracts young talent early through its graduate development programme. Apart from fresh graduates, a-iTrust also employs experienced and mid-career professionals and industry veterans.

In FY 2021, one new hire joined the Trustee-Manager, two employees left the Trustee-Manager, while three employees transferred internally from another business unit within the CapitaLand Group and two employees transferred out to another business unit.

Gender Diversity and Pay Parity

CapitaLand and the Managers reward males and females fairly based on merit, ability and experience for comparable roles across the organisation's hierarchy. Its incentive systems focus on performance and is gender-agnostic. Staff pay is also market-benchmarked based on job roles using gender-neutral pay surveys provided by independent remuneration consultants .

Job Creation, Employment and Re-employment Opportunities

CapitaLand and the Managers are committed to talent mobility where staff are given opportunities to rotate across different job functions, subject to skills/competency requirements and business needs. The Managers are committed to providing meaningful jobs for staff. Programmes are also in place to facilitate the continued employability of staff, such as pre-retirement planning for intended retirees, re-training for those intending to continue working after retiring, severance pay, job placement services, and training counselling on transitioning to a non-working life.

Talent Management

a-iTrust seeks innovative, dynamic and talented staff to take the company into its next phase of growth and adopts a multi-pronged approach to manpower planning, i.e. developing internal talent and hiring young talent, mid-career and industry veterans. a-iTrust continuously builds its management bench strength by identifying high potential talent from both within and outside of the CapitaLand Group as part of its regular succession planning process.

Positive Work Environment

a-iTrust places heavy emphasis on cultivating a positive work environment, recognising it as essential to attract, motivate and retain talent. Its total well-being programme promotes personal development, health, and work-life harmony. The Trust's employees are entitled to a flexible medical and benefits plan. Employees may also apply for flexible work hours, work from home, or part-time work arrangements depending on their needs through the flexible work arrangement policy.

Other initiatives include staff engagement programmes and subsidised rates for staff staying at Ascott's serviced residences and hotels. Part-time staff are entitled to the same benefits on a pro-rata basis. a-iTrust advocates a pay-for-performance philosophy to drive ownership of collective goals, leading to a high-performance culture which creates long-term shareholder value. Its robust performance management system ensures that all staff receive regular performance and career development reviews.

Fair Remuneration

All employees sign employment contracts with clearly stated employment terms and conditions for employees to understand. This includes employment terms on salary and allowances, (statutory) contributions/deductions, leave entitlements, insurance and medical benefits, etc.

To ensure that a-iTrust remains competitive and able to attract and retain talent, external consultants are engaged to benchmark the Trusts' compensation packages against relevant talent markets. Beyond base salaries, other components of the compensation packages encompass short-term cash bonuses and long-term equity-based reward plans. All regular full-time staff undergoes an annual performance review where there is an open discussion on the staff's performance, areas for improvement, developmental needs, and career plans.

a-iTrust rewards and motivates staff with a comprehensive and competitive compensation package and benefit programmes. It observes a pay-for-performance philosophy that rewards for superior performance, which aligns staff and shareholder interests to deliver business results. The amount of variable bonus awarded to staff is further based on their relative contributions and individual performance. Staff at managerial levels are also eligible to receive performance-based long-term unit awards. The unit awards vest over three years subject to the achievement of pre-determined Trust's profitability and Unitholder return targets.

Upskilling the Workforce for the Future

In anticipation of technological changes and its impact on the skillsets of its staff, CapitaLand has a series of programmes to upskill its staff to ensure they remain relevant and contribute to the company. CapitaLand recognises the impact of technology in the workplace and has implemented the 'Building Capabilities Framework' (BCF) to build a future-ready workforce with the digital mindset, competencies and capabilities to stay competitive in the future real estate landscape. The BCF framework was launched in Singapore in 2019 and rolled out globally by 2020.

In FY 2021, 100% of the Manager's employees attended at least one learning event, and the average number of training hours completed by each employee for the year was more than 15 hours. This represents an increase from the previous year's average of 10.8 hours. This is attributable to the Trust's adaptability to the new normal of remote-working, which allowed its employees to attend a multitude of digital training events in FY 2021.

CASE STUDY 5

UPSKILLING a-iTrust's WORKFORCE

Future Economy Skills

In a workplace environment that is rapidly evolving to become more globalised, multi-generational, and digitally engaged, CapitaLand views it as essential for its employees to develop the skills necessary to adjust to the new normal. To that end, CapitaLand instituted a target of having 50% of staff of executive level and above trained in at least one Future Economy Skill.

Fund Management Programme

With the restructuring of CapitaLand, a Fund Management Programme was launched in 2021 for all staff at executive level and above, providing them a holistic view of the key aspect of real estate fund management and associated operations.

This three-part modular programme covered topics on "Fund Creation", "How to Run a Fund Successfully" and "Capital Financial Management". The CEO of the Trustee-Manager led the module on the success factors to run a fund through sharing of his past experiences. Participants had the option of attending the programme virtually or in-person.

CapitaLand Café on Spotify

CapitaLand Café was launched since September 2021 to help staff gain better understanding on various topics including the real estate industry, investments, people management etc. Leaders within CLI Group had one-on-one short audio interviews over coffee to share their experiences, voice their opinions as they discuss on topics such as smart cities, green buildings, eco-parks, architecture, ideas, investments, leasing and marketing etc. The podcasts are available on demand on Spotify for both staff and general public.

Knowledge Exchange Programme

In 2021, CapitaLand instituted the Knowledge Exchange programme to enhance the cohesiveness of the CapitaLand Group, The programme is a quarterly sharing session designed to enhance internal communication, knowledge sharing, and promote better and collaboration across teams and entities.

Learning CAREnival 2021

CapitaLand launched this month-long festival in early September 2021, with a wide variety of programmes for employees to sign up for across 4 main streams:

- Power Skills for Future Economy
- Find Your Inner Awesomeness
- Sustainability
- Digital Fluency

The programmes were made available to all a-iTrust's employees.

Employee Engagement

CapitaLand actively engages its staff through various avenues, including Employee Communication sessions, surveys and the staff intranet portal, iHub, which updates employees on information such as employment terms, benefits and practices. Ethics and Code of Business Conduct, as well as Fraud, Bribery and Corruption Risk Management Framework is also made available to all staff through CapitaLand's intranet portal.

CapitaLand practises an open-door policy, allowing all staff to obtain a fair review and a prompt response to problems or concerns relating to any aspect of their employment with the Group. This includes harassment, grievance handling and whistle-blowing policies applicable to all staff. Staff can also raise their concerns to a higher level of management or to the Human Resource (HR) department. The Managers recognise that employee engagement is even more important as employees shift to remote ways of working. The following describes the key highlights of employee engagement activities in 2021.

WELLNESS WEDNESDAY

A myriad of activities spanning from Health & Nutrition, financial wellness, mindfulness, workplace ergonomics, virtual workouts to even feng shui talks and e-bazaars were held online. Employees could choose to take part in group activities or opt to sign up individually for these wellness activities held every Wednesday. Due to the overwhelming response received during the Circuit Breaker period, CapitaLand continued to offer these activities in 2021 to support employees to achieve work-life integration and to better manage stress.

BINGO CHALLENGE

The #StayHome #StayFun Bingo Challenge was organised mid-2021 to encourage employees to keep engaged and occupied in their homes during the heightened alert period. 20 prizes were distributed to the winners of the challenge.

2021 EMPLOYEE PULSE SURVEY

CapitaLand was restructured into CLI and CapitaLand Development Pte. Ltd. to sharpen the business focus for future growth in 2021, amidst changes to working arrangements due to the resurgence of COVID-19 cases in early 2021. To gauge the well-being of employees, a Pulse Survey was conducted from 15 to 30 November 2021.

2021 SUSTAINABILITY FIRESIDE CHAT

Introduced in 2020, CapitaLand organised its first virtual fireside chat for the launch of its 2030 Sustainability Master Plan. Through the fireside chat, attendees learnt about the 2030 Sustainability Master Plan targets and the strategic importance of sustainability to CapitaLand. Staff were also encouraged to play their part in helping to realise CapitaLand's sustainability commitments and targets. This year's fireside chat on "The Race to CapitaLand's 2030 Sustainability Targets" featured Mr Jonathan Yap (CEO, Fund Management, CapitaLand Investment), Mr Kevin Goh (CEO, Lodging, CapitaLand Investment) and Ms Lynette Leong (Chief Sustainability Officer, CapitaLand Investment). The panel discussed what CapitaLand is doing to reach CapitaLand's 2030 Sustainability Master Plan targets and how everyone can do their part.

CORE VALUES AMBASSADOR AWARDS

In 2021, the CapitaLand Core Values Ambassador Awards were presented to nine individual winners and seven team winners who have exhibited behaviours of the four core values "WE ARE ONE" during CapitaLand's 2021 virtual celebration. CapitaLand commends these Individuals and teams who have made exceptional contributions to improve company culture, working relationships and/ or business results.

Employee Well-being

CapitaLand seeks to provide not only a safe working environment but one that contributes to the general well-being of its employees. This is carried out through a holistic approach to take into consideration mental as well as physical well-being. The Managers' employees are encouraged to participate in weekly group wellness activities, health talks, and Corporate Social Responsibility (CSR) events.

CASE STUDY 6

SPOTLIGHT: MENTAL WELL-BEING – YOU MATTER

In its continuous journey to build a supportive work environment, CapitaLand has introduced its own Mental Health Care Guide. This site aims to equip employees with information on the different aspects of mental health. Employees can also find out details on upcoming events, pick up some suggestions to improve mental wellness such as a five-minute meditation or follow a yoga workout to wind down before bedtime and even play a game to test their mental age. The website also features little reminders on the importance of keeping good mental habits where employees can also share them as eCards. An internal network of Mental Wellness Ambassadors (MWAs) and contact details for external agencies are listed in the site for employees to access support. There are currently 11 MWAs who have volunteered to be part of this.

In line with the theme for World Mental Health Day 2021, employees were encouraged to take five minutes ('TAKE 5') to learn more about mental health or practise small acts of self-care in their daily lives that could have a big impact on their well-being. Various talks lined up by community providers were organised, which shared tips on how to prioritise routine and activities to improve their mental health.

Profile of Employees

In FY 2021, the Trustee-Manager has a total strength of 16 employees, all of whom are in Singapore. All employees were hired with permanent contracts and on a full-time basis. Figure 7 below illustrates the Trustee-Manager's employees profile.

Figure 7: Employee Profile

SOCIAL AND RELATIONSHIP CAPITAL

Stakeholder Engagement

The Managers actively seek to build positive and long-lasting relationships with all stakeholders. These include the investment community, employees, tenants, suppliers, contractors and the local community. The influence and interest of all stakeholders are considered when determining the Trust's key stakeholder groups. Through various engagement channels, the Managers seek to understand their views and respond effectively to their concerns.

Key Stakeholder Groups	Needs and Expectations of Stakeholder Groups	Key Engagement Channels		Actions and Goals
Investment Community	• Strategic and sustainable growth, total returns • Accurate, timely and comprehensive information to make sound judgements • Regular and clear communications and updates	• a-iTrust website, SGXNet, email alerts	Throughout the year	The Trustee-Manager aims to provide timely and transparent communications to keep the investment community apprised of significant topics relating to corporate developments, portfolio performance, asset and capital management, sustainability matters, and acquisitions and divestments.
		• Annual General Meeting	Annually	
		• Annual Report & Sustainability Report	Annually	
		• Investor perception survey	Biennially	
		• Meetings and conference calls	Throughout the year	
		• Non-deal roadshows	Regularly	
Employees	• Active engagement • Career progression, job security and stability • Competitive remuneration, employee benefits • Learning and development opportunities • Workplace safety, health and wellness	• Staff communication sessions with Senior management team	Quarterly	The Managers strive to create a cohesive and healthy workplace based on trust, mutual respect and active communication. With that, great emphasis is placed on employee empowerment and equal opportunity for all. The HR team continuously obtains feedback on the Trust's engagement methods and employment practices in order to strengthen the cohesion of its workforce.
		• Employee surveys	Regularly	
		• Induction programmes	Regularly	
		• Internal communication through Intranet portal	Regularly	
		• Performance appraisals	Throughout the year	
		• Training and workshops	Regularly	
		• Wellness, sports and social activities	Regularly	
Tenants	• Competitive rental rates • Quality of facilities • Safety and security practices	• Active communication	Throughout the year	The Managers are committed to providing premium quality solutions of business infrastructure, services and enhancing workspace experience to meet the needs of tenants. In addition, securing properties from threats and ensuring the health and hygiene of tenants and visitors is of paramount importance.
		• Networking events	Throughout the year	
		• Tenant surveys	Regularly	
		• Tenant engagement activities	Throughout the year	

Key Stakeholder Groups	Needs and Expectations of Stakeholder Groups	Key Engagement Channels		Actions and Goals
Suppliers and Contractors	• Fair and reasonable treatment • Share industry best practices	• Standard operating procedures, guidelines and house rules for compliance • Share CapitaLand's EHS policy with suppliers • Share CapitaLand Supply Chain Code of Conduct with suppliers • Collaborate with suppliers to manage EHS challenges	Throughout the year	The Managers work closely with contractors and suppliers to have a shared commitment to high EHS standards.
Local Communities	• Creation of employment opportunities • Operate in a responsible manner • Support social development and community activities	• CSR activities through CapitaLand Hope Foundation • Formalise three days of Volunteer Service Leave for its staff to participate in activities related to the needy and underprivileged in Singapore and overseas, and green volunteerism related to resource conservation, waste minimisation and recycling, pollution control and nature conservation.	Ad hoc	The Managers advocate the spirit of caring for the communities they operate in. Carefully managing and minimising the societal and environmental impacts of its operations is critical in fulfilling its duties as a responsible corporate citizen.

Community Engagement

Community development is a key focus of a-iTrust's sustainability strategy. This has built strong social capital and goodwill for a-iTrust in the communities where it operates. It supports various stakeholder engagement activities, including environmental sustainability, health and safety, social integration, and helping underprivileged children and the vulnerable elderly in the community.

CASE STUDY 7

OXYGEN GENERATION PLANT INSTALLATION IN CHENNAI

a-iTrust, through CapitaLand Hope Foundation (CHF) in India, continued to assist local governments in managing the COVID-19 pandemic. One such initiative that was carried out in 2021 was the donation of an oxygen generation plant worth INR14 million to the Tamil Nadu State Government. The plant, installed at the Government Stanley Medical College Hospital (Chennai), can supply 1,000 litres of medical oxygen per minute, which in turn can support up to 100 beds. CHF has further committed to conduct annual maintenance of the plant over the next four years. CHF has also delivered oxygen concentrators and other medical supplies to the respective state government in various cities where the Trust operates.

Advocating Staff Volunteerism

COMMUNITY INVOLVEMENT INITIATIVES

CAPITALAND #GIVINGASONE

#GivingAsOne is a platform for staff, business partners and customers to do good together in uplifting the lives of vulnerable groups and supporting the environment in communities where CapitaLand operates.

An example of a #GivingAsOne initiative in India is the distribution of around 850 healthcare kits to six government schools in the ITPB neighbourhoods.

The Trustee-Manager's staff in Singapore participated in various community initiatives during the year, including:

CapitaLand #LoveOurSeniors
CHF identified vulnerable seniors and organised the LoveOurSeniors initiative, aimed at improving the quality of life of the beneficiaries by providing them with better nutrition, enhanced well-being, and improved living conditions. Volunteering activities under the initiative included meal/bread deliveries and preparation & distribution of #LoveOurSeniors Packs.

Temasek #StayMasked
In support of Temasek's initiative for nationwide distribution of reusable masks in Singapore in 2021, CapitaLand provided spaces for the deployment of mask vending machines across CapitaLand malls. Volunteers facilitated in explaining and managing the queues to provide a smooth collection process for the public.

ORGANISATIONAL CAPITAL

Fraud, Bribery & Corruption (FBC) Risk Management Framework		
Board Oversight & Senior Management Involvement		
FBC Risk Management Strategy		
Prevention › Process-specific Controls › Risk Assessment › Know & Manage Third Party › Managing Conflicts of Interest › Hiring	**Detection & Monitoring** › Detection of Irregularities › Monitoring of Fraud Risk Profile › Independent Review & Audit › Report Fraud Incident	**Response** › Investigation › Insurance & Recovery › Protocol to observe when contacted by Authorities › Disclosure to Authorities & Media › Disciplinary Actions › Review of Controls
Risk-Aware Culture		

a-iTrust adopts a zero-tolerance stance against any FBC in the conduct of its business activities and expects all its employees to be committed to the highest standards of integrity in their work and business dealings.

The FBC Risk Management framework has been set in place to manage FBC risks in an integrated, systematic and consistent manner.

Together with various CapitaLand's policies and procedures, the FBC Risk Management Policy is published on the Group's intranet and accessible by staff. The policies implemented aim to help detect and prevent FBC by:

- Offering staff fair compensation packages, based on pay-for-performance and promotion based on merit, and providing various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures faced by its staff,
- Documenting policies and work procedures which incorporate internal controls to ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls, and
- Building and maintaining the right organisational culture through its core values, educating its staff on business conduct and ethical values.

a-iTrust's zero-tolerance policy on FBC extends to its business dealings with third parties (including suppliers, contractors, subcontractors, consultants, and others performing work or services for or on behalf of a-iTrust). According to this policy, it requires that certain agreements incorporate anti-corruption provisions.

A whistle-blowing policy (https://www.a-itrust.com/en/about-us/whistle-blowing-policy.html) and other procedures are in place to provide staff and external parties who have dealings with a-iTrust, with a well-defined, accessible and trusted channel to report suspected FBC, dishonest practices, or other improprieties in the workplace. It also allows for the independent investigation of any reported incidents and appropriate follow-up actions. The objective of the whistle-blowing policy is to encourage the reporting of such matters – that staff or external parties making any report in good faith will be able to do so with confidence, that they will be treated fairly, and to the furthest extent possible, be protected from reprisal if any.

There were no cases of material non-compliance with laws and regulations in the financial year, a record the Manager endeavours to uphold.

Training

The Managers believe that having the right risk culture and people with the right attitude, values and knowledge are fundamental to its success. All new staff undergo a compulsory module in the CapitaLand Immersion Programme to understand the Group's core values and principles that shape the way it works and functions. There are dedicated training courses for existing staff such as "CapitaDNA: Strengthening Core Values," where specific examples and applications of the Group's core values in the workplace are shared.

Enterprise Risk Management (ERM)

The Trustee-Manager has established a consistent ERM process that anticipates and identifies material risks and implements key controls to mitigate those risks. These key risks are regularly monitored, assessed, and realigned in light of the constantly evolving operating and regulatory environment. Supported by the Audit and Risk Committee, the Board oversees risk management and determines the risk appetite of a-iTrust in line with its strategy and business plans. Material ESG findings are reported on a quarterly basis or as necessary, and recommendations are made to manage or mitigate such risks. A summary of key risks faced by the Trust can be observed in Figure 8 below.

For more details on ERM, please refer to pages 40 to 45 of this Annual Report.

Figure 8: Key Risks faced by the Trust

ASCENDAS INDIA TRUST CLIMATE-RELATED DISCLOSURE IN LINE WITH THE TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

CapitaLand Investments (CLI) had started to align its climate related disclosures with TCFD recommendations in the four key areas of governance, strategy, risk management and metric and targets since 2017 and further declared its support for TCFD and its recommendations in 2019.

CLI and its sponsored REITs, including a-iTrust, will be enhancing their TCFD reporting and will continue enhancing their implementation of TCFD recommendations.

Governance

The Trustee-Manager's Board of Directors (the Board) considers sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitoring of material ESG factors.

The Board sets the Trust's risk appetite, which determines the nature and extent of material risks that a-iTrust is willing to take to achieve their strategic and business objective. As part of the material risk issues being highlighted, climate change has been identified as critical. The Board regularly reviews climate change risks as part of the CLI ERM Framework.

The Board is actively involved in discussions on environment-related initiatives, which include climate-related initiatives. Taking the lead from CLI, the Board is regularly updated since 2021 on relevant performance metrics, e.g. carbon emissions performance, progress on the reduction targets and green certification. The Board is also kept aware of any environmental incidents, which may include climate-related damages or disruptions.

At the Trust level, a-iTrust works closely with CapitaLand India Business Park EHS Committee, which is championed by the CEO of the Property Manager. This EHS committee drives initiatives related to climate-related risks and opportunities, as well as the broader environmental issues. a-iTrust is looking to set up a specialised sustainability committee, led/chaired by its CEO. In alignment with CLI, the Trustee-Manager's CEO is responsible for a-iTrust's climate change related targets. A key objective of the senior management of the Trust is to further transition to a low carbon business that is aligned with climate science, and build a resilient and resource efficient portfolio.

CLI Group-wide sustainability management comes under the purview of CapitaLand Sustainability Council (SC), which comprises two Independent Board members and four executive committee members that report to the CLI Board of Directors. CapitaLand's Management Council consisting of the Group Chief Executive Officer (GCEO), all Presidents and/or CEOs of business units and key management officers of the Corporate Office provide strategic management of ESG implementation across the CLI Group. The SC is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. The SC was chaired by one of CLI's independent directors and member of its Executive Resource and Compensation Committee and Risk Committee. The work teams comprise representatives from CapitaLand business units and corporate functions. This governance is cascaded from the CLI Group level to a-iTrust level through the operations of India Business Park EHS Committee.

Strategy

As a CLI-sponsored business trust, CLI's identified ESG issues have been deemed to be material and applicable to a-iTrust's business and operations. a-iTrust will be guided by CLI's regular review, assessment and feedback process in relation to ESG topics moving forward.

Climate change and emissions reduction is one of the ESG issues identified as critical for CLI and deemed material to a-iTrust. Climate change risk has been identified as a key risk as part of its ERM Framework and includes both physical and transitional risks. Physical risks include consideration of rising sea levels, violent storms, long intense heat waves, flash floods and freshwater depletion. Transitional risks include potentially more stringent regulations and increased expectations from stakeholders.

In line with the CLI Group, the Trust's strategy to identify and address climate-related risks and opportunities now spans all areas of its real estate life cycle, from the earliest stage of the investment process, to design, procurement, construction, operations and redevelopment or divestment.

- All new investments into operational assets and development projects undergo the EHS Impact Assessment during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset/project site and its surroundings. The assessment covers performance metrics such as energy efficiency, as well as transitional and physical risk and opportunity considerations. Significant findings from the assessment, with relevant mitigating actions, would be incorporated in the investment paper for the CLI Group Investment Management Committee's review and support, before the proposed investment plan is submitted to the Board for approval.

- Through the implementation of the CLI Group's SBG, it aims to identify and address the risks and opportunities of climate change right from the design stage. The local context of each project will be studied in detail, and appropriate measures will be taken into consideration with regards to adaptation of climate change. The SBG also sets guidelines for buildings to be more energy efficient, e.g. setting green rating targets, specifying minimum equipment efficiency, and requiring the use of onsite renewable energy whenever possible.

- At the operational asset level, the CLI Group's EHSMS, which is audited by a third-party accredited certification body to ISO 14001 standards, serves to monitor transitional risks relating to climate regulations via EHS legal registers updates and regular stakeholder engagement. Operational issues pertaining to climate change, energy and water are also identified and managed through the EHSMS to strengthen the climate resilience of its portfolio.

- The CapitaLand Group's 2030 Sustainability Master Plan further outlines the targets and pathways for transition to a low carbon business that is aligned with climate science. Energy use and carbon reduction targets, as well as green certification targets are set for its operational assets. Initiatives are put in place to improve the environmental performance, resilience and durability of its assets through system upgrades, system optimisation, effective maintenance and changes to user behaviour. The continued achievement of high green building ratings as well as energy and water efficiency measures put in place to achieve the reduction targets would contribute to mitigate the impact of changing weather conditions.

As part of the 2030 Sustainability Master Plan formulation, the Trust generally considers medium term time frames to be until 2030, and long term beyond 2030 in relation to the identification of climate-related risks and opportunities.

CLI piloted various physical risk platforms with sample global assets (including some a-iTrust assets), to prepare for its Group-wide scenario analysis study. CLI, together with its sponsored REITs, aims to conduct its climate scenario analysis in 2022 for its global portfolio, including a-iTrust's assets. This analysis would consider scenarios based on the latest global and scientific developments, and likely cover a spectrum of scenarios from 1.5°c to 4°c for current to long-term time frames, to draw conclusions on the financially material physical and transitional risks and validate its current strategy. It will then review its mitigation and adaptation plans, identify opportunities, in alignment with CapitaLand's 2030 Sustainability Master Plan, which is designed to build resilience throughout its operations and future-proof the Group's real estate portfolio to guard against climate change risks and to avoid premature obsolescence and adopt available opportunities.

Risk Management

a-iTrust conducts an annual Trust-wide Risk and Control Self-Assessment (RCSA) exercise that requires business units and corporate functions to identify, assess and document material risk which includes ESG relevant risks, along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed at the Trust level before they are presented to the Audit and Risk Committee and the Board. This exercise is based on CLI's annual Group-wide RCSA exercise, review of the Risk Appetite Statement and Key Risk Indicator on Climate Change and Environmental Risk. Such climate-related risks and opportunities are identified and mitigated through CLI's ERM framework, and its externally certified ISO 14001 Environmental Management System.

a-iTrust's risk management process to address its key risks and uncertainties, including climate change is discussed further in its Annual Report, Risk Management section on 40 to 45.

Upon completion of the climate scenario analysis study targeted in 2022, CLI Group and the Trust will review and update, if appropriate, the processes associated with risk management in order to account for environmental and climate-related risks.

The Trust is guided by the CLI framework and EMS, and prioritises material ESG issues based on the likelihood and potential impact of the issues affecting business continuity and development. Notably, a-iTrust is cognisant of the risk posed by existing and emerging regulatory requirements with relation to climate change as it is outlined in CLI's ERM Framework as a transitional climate change risk. Some of these risks include:

- Regulatory or compliance risk, prompted by certain regulations in the countries of operation. These include but are not limited to the Environmental Risk Management Guidelines introduced by the Monetary Authority of Singapore (MAS) in 2020 requiring financial institutions and asset managers to place greater emphasis on both physical and transitional environmental risks and the Singapore Stock Exchange mandate from December 2021 that all issuers must provide climate reporting that is aligned to the recommendations of the Task Force on Climate-related Financial Disclosures on a 'comply or explain' basis in their sustainability reports from the financial year commencing 2022. Climate reporting will be mandatory for the materials and buildings industry from FY 2024. Even though these regulations would not cover the activities of a-iTrust as a business trust, the Trust is referring to them as best market practice.
- Market risks, including shifts in carbon and electricity prices, or customer expectations, were prompted by the conclusions of COP26 in November 2021, where it is apparent that urgent action is needed to combat global warming, and this can only be done through global action from governments and businesses.

Physical risks are monitored through the regular monitoring of incidents across the portfolio, for example, in case of floods. In 2020, CLI had conducted a global portfolio baseline study to better understand its portfolio's physical climate risk in relation to floods. This included insights into whether the properties were located in low lying plains, encountered flooding in previous years, had equipment located in the basement, etc. Globally, most of CapitaLand's properties already have flood control features/measures in place, such as flood barriers, sensors, water level pumps and flood emergency response plans. To further strengthen climate resilience to flood risk, a-iTrust has flood emergency response plans implemented across its portfolio.

Through a-iTrust's ERM Framework and the implementation of the EHS IA for all new investments, a-iTrust identifies and prioritises certain physical risk, (e.g. certain physical risks such as flood risks are highlighted in the due diligence reports and plans to integrate climate change resilience and adaptation considerations into the design, development and management of its properties are identified).

Metrics and Targets

At the CLI Group level, CLI has tracked and reduced the carbon emissions of its managed and owned operational properties, including those of a-iTrust. All related metrics have been regularly disclosed in its annual Global Sustainability Report. Since 2010, CapitaLand has been disclosing scope 1, 2 and 3 GHG emissions of its global portfolio and the data (including a-iTrust's since 2019) has been externally assured.

Furthermore, in 2020, the CapitaLand Group had their carbon emissions reduction targets approved by the Science Based Targets initiative ("SBTi") for a 'Well-below 2°c' scenario. This target is in line with the goals of the Paris Agreement to keep global temperature rise well below 2°c in this century. In 2022, the CLI Group would be evaluating the targets and the progress towards them and explore options for any long-term targets of decarbonisation. Please refer to the CapitaLand Investment Global Sustainability Report 2021 which will be published by May 2022.

For information on the Trust's carbon measurement performance, please refer to pages 74 to 75 of a-iTrust's Annual Report. To calculate its carbon emissions, a-iTrust takes guidance from the operational control approach as defined by the GHG Protocol Corporate Standard, in line with the CLI Group.

Aligned with the CLI Group, a-iTrust has set sustainability and climate related performance metrics and targets that are linked to the remuneration policies for members of senior management, such as the Balance Scorecard (BSC) framework which had included both quantitative and qualitative targets relating to climate change in FY 2022.

CLI also implemented a shadow internal carbon price in 2021 to quantify climate-related risk and opportunities for its new investments (including for a-iTrust's). It is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact. CLI will continue to explore new metrics to measure climate-related risks and opportunities.

GRI CONTENT INDEX

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Trust & Organisation Structure (Annual Report ("AR") page 12)
102-2	Activities, brands, products, and services	At a Glance (AR pages 3 - 4), Strategy (AR pages 24- 25), Portfolio (AR pages 48 - 51)
102-3	Location of headquarters	Corporate Information (AR inside back cover)
102-4	Location of operations	Trust & Organisation Structure (AR page 12)
102-5	Ownership and legal form	Trust & Organisation Structure (AR page 12)
102-6	Markets served	At a Glance (AR pages 3 - 4), Operational Review (AR pages 52 - 53)
102-7	Scale of the organisation	At a Glance (AR pages 3 - 4), Portfolio (AR pages 48 - 51), Operational Review (AR pages 52 - 53), Financial Review (AR pages 54 - 59)
102-8	Information on employee and other workers	Human Capital pages (AR page 91)
102-9	Supply chain	Environmental and Manufactured Capital (AR page 71) Human Capital (AR pages 79 - 80, 84) Social and Relationship Capital (AR pages 92 - 93)
102-10	Significant changes to the organisation and its supply chain	About The Report (AR page 62)
102-11	Precautionary principle and approach	Risk Management (AR pages 40 - 45), Organisational Capital (AR pages 95 - 96)
102-12	External initiatives	Social and Relationship Capital (AR pages 93 - 94)
102-13	Membership of associations	REIT Association of Singapore (REITAS); About The Report (AR page 62), Human Capital (AR pages 79 - 80), Social and Relationship Capital (AR pages 92 - 93), Organisational Capital (AR page 95)
Strategy		
102-14	Statement from senior decision-maker	Chairman's Message (AR pages 6 - 9), In Conversation with CEO (AR pages 10 - 11), Board Statement (AR page 62)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Sustainability Commitment (AR pages 63 - 64), Dealings with Interested Persons (AR pages 133 - 134), Dealing with Conflicts of Interest (AR page 135)
Governance		
102-18	Governance structure	Trust & Organisation Structure (AR pages 12 - 13), Board of Directors (AR pages 14 - 19), Trustee-Manager (AR pages 20 - 22), Property Manager (AR page 23), The Board's Conduct of Affairs (AR pages 106 - 109)
Stakeholder Engagement		
102-40	List of stakeholder groups	Social and Relationship Capital (AR pages 92 - 93)
102-41	Collective bargaining agreements	Social and Relationship Capital (AR pages 92 - 93)
102-42	Identifying and selecting stakeholders	Social and Relationship Capital (AR pages 92 - 93)
102-43	Approach to stakeholder engagement	Social and Relationship Capital (AR pages 92 - 93)
102-44	Key topics and concerns raised	Social and Relationship Capital (AR pages 92 - 93)

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Investments in Subsidiaries (AR page 199)
102-46	Defining report content and topic boundaries	About the Report (AR page 62)
102-47	List of material topics	Materiality (AR pages 68 - 69)
102-48	Restatements of information	Any restatements have been mentioned in footnotes where relevant.
102-49	Changes in reporting	NA
102-50	Reporting period	About the Report (AR page 62)
102-51	Date of most recent report (if any)	About the Report (AR page 62)
102-52	Reporting cycle	About the Report (AR page 62)
102-53	Contact point for questions regarding the report	About the Report (AR page 62)
102-54	Claims of reporting in accordance with the GRI Standards	About the Report (AR page 62)
102-55	GRI content index	About the Report (AR page 62)
102-56	External assurance	No external assurance. The Trustee-Manager relies on the external assurance of CapitaLand's Sustainability Report. a-iTrust's portfolio and employees are part of CapitaLand's reporting.
Management Approach		
103-1	Explanation of the material topic and its Boundary	Refer to specific topics
103-2	The management approach and its components	Refer to specific topics
103-3	Evaluation of the management approach	Refer to specific topics
Topic-Specific Standards		
Economic Benefit to Stakeholders		
201-1	Direct Economic Value generated and distributed	Financial Review (AR pages 54 - 59)
Business Ethics		
205-1	Operations assessed for risks related to corruption	Organisational Capital (AR page 95)
205-2	Communication and training about anti-corruption policies and procedures	AR page 88 Organisational Capital (AR page 95)
205-3	Confirmed incidents of corruption and actions taken	Organisational Capital (AR page 95)
Energy Efficiency		
302-1	Energy Consumption within the organisation	Environmental and Manufactured Capital (AR pages 74 - 75)
302-3	Energy intensity	Environmental and Manufactured Capital (AR pages 74 - 75)
302-4	Reduction of energy consumption	Environmental and Manufactured Capital (AR pages 74 - 75)
Water Management		
303-5	Water consumption	Environmental and Manufactured Capital (AR page 77)
Biodiversity		
304-1	Operational sites in or adjacent to protected areas or area of high biodiversity value	None during the reporting period
304-2	Significant impact on biodiversity	
304-4	IUCN Red List species and national conservation list of species affected	

Disclosure		Reference(s) or Reasons for Omission
Topic-Specific Standards		
Climate Change and Emissions		
305-1	Direct (Scope 1) GHG Emissions	Environmental and Manufactured Capital (AR pages 74 - 75)
305-2	Energy indirect (Scope 2) GHG Emissions	Environmental and Manufactured Capital (AR pages 74 - 75)
305-4	GHG Emissions Intensity	Environmental and Manufactured Capital (AR pages 74 - 75)
305-5	Reduction of GHG emissions	Environmental and Manufactured Capital (AR pages 74 - 75)
Construction and Operational Waste (GRI Standards 2020)		
306-1	Waste generation and significant waste-related impacts	Environmental and Manufactured Capital (AR pages 77 - 78)
306-2	Management of significant waste-related impacts	Environmental and Manufactured Capital (AR pages 77 - 78)
306-3	Waste generated	Environmental and Manufactured Capital (AR pages 77 - 78)
Compliance		
307-1	Non-compliance with environmental laws and regulations	Environmental and Manufactured Capital (AR page 71)
Supply Chain Management		
308-1	New suppliers screened using environmental criteria	AR page 66, Environmental and Manufactured Capital (AR page 71), Human Capital (AR pages 79 and 84)
414-1	Suppliers screened using social criteria	AR page 66, Environmental and Manufactured Capital (AR page 71), Human Capital (AR pages 79 and 84)
Employment		
401-1	New hires and employee turnover	Human Capital (AR pages 84 and 91)
401-3	Parental leave	Human Capital (AR page 85)
402-1	Minimum notice period regarding operational changes	Human Capital (AR page 84)
404-1	Average training hours	Human Capital (AR page 85)
404-2	Programs for upgrading employee skills	Human Capital (AR pages 85 - 89)
404-3	Employees receiving regular performance and career reviews	Human Capital (AR page 85)

Disclosure		Reference(s) or Reasons for Omission
Topic-Specific Standards		
Occupational Health and Safety		
403-1	Occupational health and safety management system	Environmental and Manufactured Capital (AR page 72), Human Capital (AR pages 79 - 80)
403-2	Hazard identification, risk assessment, and incident investigation	Human Capital (AR page 80)
403-3	Occupational health services	Environmental and Manufactured Capital (AR page 72), Human Capital (AR pages 79 - 80)
404-4	Worker participations, consultation, and communication on occupational health and safety	Human Capital (AR pages 79 - 83)
403-5	Worker training on occupational health and safety	Human Capital (AR pages 79 - 83)
403-6	Promotion of worker health	Human Capital (AR pages 79 - 83)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital (AR pages 79 - 83)
404-8	Workers covered by an occupational health and safety management system	Environmental and Manufactured Capital (AR page 72), Human Capital (AR pages 79 - 83)
404-9	Work-related injuries	Human Capital (AR page 81)
Diversity and Human Rights		
406-1	Incidents of discrimination and corrective action taken	AR page 70, Human Capital (AR page 84)
408-1	Operations and suppliers at significant risk for incidents of child labour and measures taken to the effective abolition of child labour	AR page 70, Human Capital (AR page 84)
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour, and measures taken to eliminate it	AR page 70, Human Capital (AR page 84)
412-1	Operations subjected to human rights reviews	AR page 70, Human Capital (AR page 84)
413-1	Operations with local community engagement, impact assessments, and development programmes	Significant Events (AR page 5), AR page 70, Social and Relationship Capital (AR pages 92 - 94)
414-1	Suppliers screened using social criteria	Human Capital (AR page 84)
Products and services		
416-1	Assessment of health and safety impacts of product and service categories	Human Capital (AR pages 79 - 84) Social and Relationship Capital (AR pages 92 - 93)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no non-compliance cases in the reporting period.
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Significant Events (AR page 5), Asset Management (AR pages 34 - 35), Environmental and Manufactured Capital (AR pages 72 - 73)

OUR ROLE

We, as the trustee-manager of Ascendas India Trust (Trustee-Manager), set the strategic direction of Ascendas India Trust (a-iTrust) and its subsidiaries (a-iTrust Group) on any investment or divestment opportunities and asset enhancements in accordance with a-iTrust's stated investment strategy and are also responsible for the capital and risk management of the a-iTrust Group. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Trustee-Manager.

As the Trustee-Manager, we have general powers of management over the assets of a-iTrust. Our primary responsibility is to manage the assets and liabilities of a-iTrust for the benefit of the unitholders of a-iTrust (Unitholders). We do this with a focus on generating rental income and enhancing asset value over time to maximise returns from the investments, and ultimately the distributions and total returns, to Unitholders.

Our other functions and responsibilities as the Trustee-Manager include:

(a) conducting all transactions on behalf of a-iTrust at arm's length and conducting business in a proper and efficient manner, using our best endeavours;

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

(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of the CIS Code (Property Funds Appendix)), the Business Trusts Act 2004 (BTA), the Business Trusts Regulations 2005 (BTR), the Securities and Futures Act 2001 (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time, the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of a-iTrust and Unitholders and the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (AIFMR);

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

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

(f) supervising the appointed property manager which performs the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for a-iTrust's properties.

The Trustee-Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. a-iTrust's environmental sustainability and community outreach programmes are set out on pages 62 to 103 of this Annual Report.

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

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

The Trustee-Manager is a wholly owned subsidiary of CapitaLand Investment Limited (CLI) which holds a significant unitholding interest in a-iTrust. CLI is a leading global real estate investment manager and its significant unitholding in a-iTrust demonstrates its commitment to a-iTrust and as a result, CLI's interest is aligned with that of other Unitholders. The Trustee-Manager's association with CLI provides the following benefits, among other things, to a-iTrust:

(a) strategic pipelines of property assets through, among others, CLI's access to the development capabilities of and pipeline investment opportunities from CapitaLand Group Pte Ltd and its subsidiaries (excluding CLI Group);

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

(c) fund raising and treasury support; and

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

Our Corporate Governance Framework and Culture

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

Our corporate governance framework is set out below:

Board of Directors

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

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

Audit and Risk Committee (ARC)

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

Key Responsibility: Assist the Board in its oversight of the financial reporting process, internal controls system, internal and external audit processes, and management of compliance with legal, regulatory and company policies

Investment Committee (IC)

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

Key Responsibility: Assist the Board in its oversight responsibilities in the areas of investment, divestment and asset enhancement initiatives

Nominating and Remuneration Committee (NRC)*

2 IDs, 1 Non-ID
Led by Mr Chiang Chie Foo, NRC Chairman

Key Responsibility: Assist the Board on Board succession planning and appointments to the Board and Board committees, and the review of the Board's performance, Director's independence and remuneration for the Directors and key management personnel of the Trustee-Manager

* Prior to 1 November 2021, the Board undertook the functions of a nominating and remuneration committee and accordingly, the Trustee-Manager did not have a separate nominating and remuneration committee

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

This corporate governance report (Report) sets out the corporate governance practices for the financial year (FY) 2021 with reference to the Code of Corporate Governance 2018 (Code).

Throughout FY 2021, the Trustee-Manager has complied with the principles of corporate governance laid down by the Code and also complied, substantially, with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report. This Report also sets out additional policies and practices adopted by the Trustee-Manager which are not provided for in the Code.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Trustee-Manager, in furtherance of the Trustee-Manager's primary responsibility to foster the success of a-iTrust to deliver sustainable value over the long term to Unitholders and ensures that the interests of the Unitholders are always held above the interests of the Trustee-Manager and its shareholder/sponsor. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve a-iTrust's objectives and long-term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for a-iTrust and the day-to-day operations of a-iTrust's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with all applicable prevailing laws and regulations, such as those contained in the Listing Manual, certain key provisions of the CIS Code including the Property Funds Appendix issued by the MAS which a-iTrust has voluntarily adopted, the SFA, the BTA, as well as the Trustee-Manager's obligations under the Trust Deed. It also sets the disclosure and transparency standards for a-iTrust and ensures that obligations to Unitholders and other stakeholders are understood and met.

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

(a) material acquisitions, investments and divestments;

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

(c) issue of new units in a-iTrust (Units);

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

(e) income distributions and other returns to Unitholders;

(f) division of responsibilities between the Chairman and the CEO; and

(g) matters which involve a conflict of interest for a controlling unitholder or a Director.

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

The Directors are fiduciaries and are collectively and individually obliged at all times to act honestly and objectively in the best interests of a-iTrust. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone from the top in respect of the desired organisational culture, and assists the Board in ensuring proper accountability within the Trustee-Manager. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to a-iTrust and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

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

Directors' Development

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

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

Following their appointment, the Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. IDs are also invited to attend professional development courses conducted by organisations such as the Singapore Institute of Directors, covering areas such as regulatory compliance to enhance their capabilities. The Directors may also contribute by recommending suitable training and development programmes to the Board. Sharing and information sessions were also organised as part of Board meetings, where guest speakers and Management team members presented key topics to the Board. The Directors also regularly receive reading materials on topical matters or subjects as well as updates on regulatory changes and their implications.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit and Risk Committee (ARC) and the Investment Committee (IC). In addition, the Nominating and Remuneration Committee (NRC) was established with effect from 1 November 2021. Prior to 1 November 2021, the Board undertook the functions of a nominating and remuneration committee and accordingly, (a) the Trustee-Manager did not have a separate nominating and remuneration committee, and (b) references to the NRC in this Report shall be read to mean the Board in relation to matters which were undertaken by the Board (in lieu of the NRC) prior to the establishment of the NRC.

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

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

Meetings of Board and Board Committees

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

At the scheduled meetings, the Board reviews the financial performance of a-iTrust and the risks relating to the assets of a-iTrust, examines liabilities and comments from the auditors of a-iTrust and ensures that measures are implemented to address any concerns.

In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives.

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

(a) significant matters discussed at the IC and ARC meetings which are typically scheduled before the Board meeting;

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

(c) decisions made by Board Committees in the period under review;

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

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

(f) any risk management issues that materially impact a-iTrust's operations or financial performance; and

(g) prospective transactions which Management is exploring.

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

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

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

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

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

A total of 6 Board meetings, 4 ARC meetings, and 5 IC meetings were held in FY 2021. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2021 is set out on page 138 of this Annual Report. The CEO who is also a Director attends all Board meetings. He also attends all Board Committee meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters.

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

The Directors also have separate and independent access to the company secretary of the Trustee-Manager (Company Secretary). The Company Secretary is legally trained and keeps himself abreast of relevant developments. He has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction programme for new Directors and oversees professional development administration for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

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

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Board Independence

The Board has a strong independent element as five out of eight directors, including the Chairman, are non-executive IDs. Other than the CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. None of the Directors have served on the Board for nine years or longer. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 14 to 19 and page 138 of this Annual Report. Key information on the Directors is also available on a-iTrust's website at www.a-itrust.com (Website). The Statement on the Composition of the Board of Directors of the Trustee-Manager pursuant to Regulation 12(8) of the BTR can be found on page 152 of this Annual Report.

The non-executive Directors and IDs, led by the independent Chairman or Deputy Chairman, meet regularly without the presence of Management.

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

The NRC has conducted an annual review of the Directors' independence and has made recommendations to the Board on the Independence of Directors. The NRC assesses the independence of each Director in accordance with the requirements of the Listing Manual and the guidance in the Code, the BTR and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he or she is independent in conduct, character and judgment and

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

(b) is independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager;

(c) is not a substantial shareholder of the Trustee-Manager or a substantial unitholder of a-iTrust;

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

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

(f) has not served on the Board for a continuous period of nine years or longer.

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

(a) each ID provides information of his or her business interests and confirms, annually, that there are no relationships which interfere with the exercise of his or her independent business judgment with a view to the best interests of the Unitholders as a whole, and such information is then reviewed by the NRC; and

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

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

The Board, through the NRC, has carried out the assessment of the independence of its IDs for FY 2021 and the paragraphs below set out the outcome of the assessment. Each of the IDs had recused himself or herself from the NRC's and the Board's deliberations on his or her independence.

Mr Chiang Chie Foo and Mr Alan Rupert Nisbet

Each of Mr Chiang Chie Foo and Mr Alan Rupert Nisbet is a non-executive director of various subsidiaries and/or associated corporations of Temasek Holdings (Private) Limited (Temasek). Temasek is a controlling shareholder of the Trustee-Manager. Each of Mr Chiang Chie Foo's and Mr Alan Rupert Nisbet's role in these corporations is non-executive in nature and they are not involved in the day-to-day conduct of these corporations. Therefore, the Board believes that their appointments in these corporations do not bring into question their independence.

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

Mrs Zia Jaydev Mody

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

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

Dr Ernest Kan Yaw Kiong

Dr Ernest Kan Yaw Kiong does not have any relationship (and is not faced with any of the circumstances identified in the Code, the BTR and the Listing Manual, or any other relationships) which may affect his independent judgment.

The Board has considered whether Dr Ernest Kan Yaw Kiong had demonstrated independence in character and judgment in the discharge of his responsibilities as a director and concluded that Dr Ernest Kan Yaw Kiong had acted with independent judgment. On the basis of the declaration of independence provided by Dr Ernest Kan Yaw Kiong and the guidance in the Code, the BTR and the Listing Manual, the Board arrived at the determination that Dr Ernest Kan Yaw Kiong is an ID.

Ms Tan Soon Neo Jessica

Ms Tan Soon Neo Jessica is currently employed as Director, Group Commercial at Raffles Medical Group Ltd (RMG). RMG and its related corporations provide healthcare insurance and medical services as part of the welfare and benefits scheme for employees of CLI and its subsidiaries (CLI Group). The provision of healthcare insurance and medical services by RMG is managed by and under CLI. The selection of RMG to provide healthcare insurance and medical services to CLI was carried out by the management of CLI, based on merit and competitive terms negotiated by the management of CLI. These services are provided in the ordinary course of business, on arm's length basis and based on normal commercial terms. Management understands that although Ms Tan Soon Neo Jessica is an executive of RMG, she was not involved in the process or approval of the engagement of RMG by the CLI Group. Ms Tan Soon Neo Jessica is also a non-executive Director of SATS, an organisation linked to Temasek. Ms Tan Soon Neo Jessica's role in this entity is non-executive in nature and she is not involved in the day-to-day conduct of the business of this entity. Therefore, the Board believes that her appointment in this entity does not bring into question her independence.

The Board has considered whether Ms Tan Soon Neo Jessica had demonstrated independence in character and judgment in the discharge of her responsibilities as a director and concluded that Ms Tan Soon Neo Jessica had acted with independent judgment. On the basis of the declaration of independence provided by Ms Tan Soon Neo Jessica and the guidance in the Code, the BTR and the Listing Manual, the Board arrived at the determination that Ms Tan Soon Neo Jessica is an ID.

The Board is of the view that as at the last day of FY 2021, each of Mr Chiang, Mr Nisbet, Mrs Mody, Dr Kan and Ms Tan was able to act in the best interests of all Unitholders in respect of the period in which they served as directors in FY 2021.

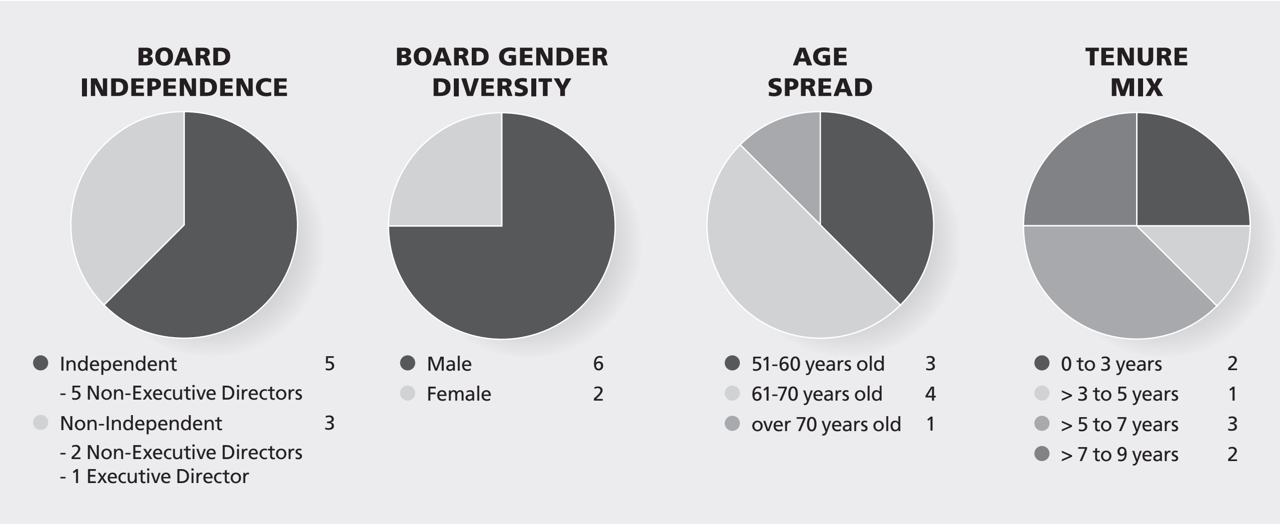
Board Diversity

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

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

The NRC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Board, considers diversity factors such as age, educational, business and professional backgrounds of its members. Female representation is also considered an important aspect of diversity. The current Board comprises eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in governance, real estate, accounting and finance, legal, business, management and strategic planning. The current Board has two female members.

For further information on the Board's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.



PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

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

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

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, recommendation under the Code for a lead ID is not applicable. Nonetheless, the Board has approved the appointment of a lead ID, on the basis that such lead ID would provide leadership for the other IDs only in the limited situation(s) where the Chairman is conflicted. This was done with a view to further strengthen the independence of the Board. The lead ID would be available to Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The lead ID is Mr Alan Rupert Nisbet.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. With effect from 1 November 2021, it has established the NRC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

Prior to 1 November 2021, the Board undertook the functions of a nominating committee and accordingly, the Trustee-Manager did not have a separate nominating committee. The Board performed the functions that such a committee would otherwise perform.

The Board was able to undertake the functions of a nominating committee because:

(a) the Trustee-Manager is a dedicated trustee-manager to a-iTrust and in general, BTs (including a-iTrust) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched if the responsibilities of a nominating committee were also undertaken by the Board as the Board would be able to give adequate attention to such issues;

(b) the focused scope of the business of a-iTrust also means a manageable competency requirement for the Board such that the Board is able to manage the duties of a nominating committee; and

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

The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of nominating and remuneration committees under the Listing Manual does not apply to business trusts (BT) if the BT complies with the BTA and the regulations made thereunder that the trustee-manager acts in the best interests of the unitholders as a whole and gives priority to unitholders' interests over its own interests in the event of a conflict, as to the board composition requirements of the trustee-manager, as to the establishment of an audit committee and as to the independence requirements of a director of a trustee-manager.

Upon the establishment of the NRC on 1 November 2021, the NRC comprises three non-executive Directors, two of whom (including the Chairman of the NRC) are IDs. The NRC has met twice since its establishment in November 2021.

Under its terms of reference, the NRC's scope of duties and responsibilities includes:

(a) reviewing and making recommendations to the Board on the structure, size and composition of the Board and its Board committees and formulating succession plans for Directors;

(b) reviewing the performance of the Board, Board Committees and individual Directors and the results of such evaluation annually;

(c) considering annually and, as and when circumstances require, if a Director is independent; and

(d) considering and making recommendations to the Board on the appointment and re-appointment of Directors.

The NRC's duties and responsibilities in relation to remuneration matters are set out on page 118 of this Annual Report.

Board Composition and Renewal

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

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long-term to achieve a-iTrust's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The NRC also considers contingency planning to prepare for sudden and unforeseen changes. In reviewing succession plans, the NRC has in mind a-iTrust's strategic priorities and the factors affecting the long-term success of a-iTrust. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Trustee-Manager continues to attract and retain highly qualified individuals to serve on the Board. The NRC aims to maintain an optimal Board composition by considering the trends affecting a-iTrust, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with a-iTrust's strategy and environment and includes the following considerations: (a) the current size of the Board Committees, composition mix and core competencies; (b) the candidate's/Director's independence, in the case of an independent director; (c) the composition requirements for the Board and relevant Board Committees (if the candidate/Director is proposed to be appointed to any Board Committee); and (d) the candidate's/Director's age, gender, track record, experience and capabilities and such other relevant factors as may be determined by the Board, which would provide an appropriate balance and contribute to the collective skill of the Board.

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

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of the review is reported to the Board. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed (on a yearly basis up to a period of nine years inclusive of the initial two three-year terms served) by the NRC, in arriving at a recommendation to the Board.

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

Board Changes

There were no changes to the composition of the Board in FY 2021.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo further training required under Rule 210(5)(a) of the Listing Manual.

Review of Directors' Ability to Commit Time

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

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near term plan regarding some of the other appointments. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Trustee-Manager. IDs are also required to inform the Chairman before accepting any invitation for appointment as a director of another entity's board or governing body, or offer of a full-time executive appointment or other principal commitment, to enable any concerns relating to potential conflicts of interest or the ability to commit time, to be shared and addressed.

In FY 2021, no alternate director to any Director was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Trustee-Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors.

Each of the Directors is required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Trustee-Manager. For FY 2021, all non-executive Directors had undergone the self-assessment and provided the confirmation.

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

The Directors' listed company directorships and principal commitments are disclosed on pages 14 to 19 of this Annual Report and their attendance record for FY 2021 is set out on page 138 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the a-iTrust Group. For FY 2021, the Directors achieved high meeting attendance rates and have contributed positively to discussions at Board and Board Committee meetings. Based on the above, the NRC has determined that each Director has been adequately carrying out his or her duties as a Director and noted that no Director has a significant number of listed directorships and principal commitments.

The Board, taking into consideration the NRC's assessment, has noted that each Director has been adequately carrying out his or her duties and responsibilities as a Director of the Company.

PRINCIPLE 5: BOARD PERFORMANCE

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

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

The Board undertakes, with the assistance of the NRC, a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. The evaluation results are aggregated and reported to the NRC, and thereafter the Board. The findings are considered by the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities.

For FY 2021, no external facilitator has facilitated the evaluation of the effectiveness of the Board, the Board Committees and the individual Directors.

Board and Board Committees

The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision-making process. For FY 2021, the outcome of the evaluation was satisfactory and the Board as a whole, and each of the Board committees, received affirmative ratings across all the evaluation categories.

Individual Directors

The evaluation categories covered in the questionnaire include Director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2021, the outcome of the evaluation was satisfactory and each of the Directors on the whole received affirmative ratings across all the evaluation categories.

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

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

Board Evaluation as an Ongoing Process

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

REMUNERATION MATTERS

PRINCIPLES 6, 7 AND 8: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE ON REMUNERATION

All fees and remuneration payable to Directors, key management personnel (including the CEO) and staff of the Trustee-Manager are paid by the Trustee-Manager.

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

Prior to 1 November 2021, the Board undertook the functions of a remuneration committee and accordingly, the Trustee-Manager did not have a separate remuneration committee. The Board performed the functions that such a committee would otherwise perform.

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

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

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

With effect from 1 November 2021, the Board has established the NRC to review the Board remuneration framework and determine the specific remuneration for the Directors. The NRC also reviews the compensation framework and remuneration for the a-iTrust Group's executives and approves the specific remuneration packages for the key management personnel.

Guided by its terms of reference, the NRC oversees the development and succession planning for the CEO. This includes overseeing the process for selection of the CEO and conducting an annual review of career development and succession matters for the CEO.

Remuneration Policy for Key Management Personnel

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

- **Business Alignment**
  - Focus on generating rental income and enhancing asset value over time to maximise returns from investments and ultimately the distributions and total returns to Unitholders
  - Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
  - Enhance retention of key talents to build strong organisational capabilities
- **Motivate Right Behaviour**
  - Pay for performance – align, differentiate and balance rewards according to multiple dimensions of performance
  - Strengthen line-of-sight linking rewards and performance
- **Fair and Appropriate**
  - Ensure competitive remuneration relative to the appropriate external talent markets
  - Manage internal equity such that remuneration is viewed as fair across the a-iTrust Group
  - Significant and appropriate portion of pay-at-risk, taking into account risk policies of the a-iTrust Group, symmetrical with risk outcomes and sensitive to the risk time horizon
- **Effective Implementation**
  - Maintain rigorous corporate governance standards
  - Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations
  - Facilitate employee understanding to maximise the value of the remuneration programmes

These remuneration policies are in line with the a-iTrust Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is emphasised by linking total remuneration to the achievement of business and individual goals and objectives. The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair, and has access to remuneration consultants for advice on remuneration matters as required.

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

In FY 2021, Willis Towers Watson was appointed as independent remuneration consultant to provide professional advice on executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with 45,000 employees serving more than 140 countries and markets. The consultant is not related to the Trustee-Manager, its controlling shareholder, its related corporations or any of its Directors.

Remuneration of Key Management Personnel

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

A. Fixed Components

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

B. Variable Cash Component

The variable cash component comprises the Balanced Scorecard Bonus Plan (BSBP) that is linked to the achievement of annual performance targets by each key management personnel.

Under the Balanced Scorecard framework, the a-iTrust Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

- Financial: This includes targets relating to profitability and distributions;
- Execution: This includes targets relating to occupancy rates;
- Future Growth: This includes targets relating to growing assets under management; and
- Sustainability: This includes targets relating to governance practices.

These Balanced Scorecard targets are approved by the Board and cascaded throughout the organisation, thereby creating alignment across the a-iTrust Group.

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

In determining the pay-out quantum for each key management personnel under the BSBP, the NRC considers the overall business performance and individual performance as well as the affordability of the pay-out to the Trustee-Manager.

C. Unit-based Components

Unit awards were granted in FY 2021 pursuant to the Ascendas Property Fund Trustee Pte. Ltd. Performance Unit Plan (PUP) and the Ascendas Property Fund Trustee Pte. Ltd. Restricted Unit Plan (RUP) (together, the Unit Plans), approved by the Board. The Trustee-Manager believes that the Unit-based components of the remuneration for key management personnel serve to align the interests of such key management personnel with that of Unitholders and a-iTrust's long-term growth and value. The obligation to deliver the Units is expected to be satisfied out of existing Units held by the Trustee-Manager.

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

Units vested pursuant to the Unit Plans may be clawed back in circumstances where the relevant participants were involved in financial misstatement, misconduct, fraud or malfeasance, to the detriment of the a-iTrust Group.

Ascendas Property Fund Trustee Pte. Ltd. Performance Unit Plan

In FY 2021, the Board granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipient at the end of the qualifying performance period, provided that minimally the threshold target is achieved.

Under the PUP, an initial number of Units (PUP baseline award) is allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of the a-iTrust Group measured by the percentile ranking of the TUR of the a-iTrust Group relative to the constituent REITs in the FTSE ST REIT Index.

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

For FY 2021, the relevant award for assessment of the performance achieved by the a-iTrust Group is the award granted in FY 2019 where the qualifying performance period was FY 2019 to FY 2021. Based on the NRC's assessment that the performance achieved by the a-iTrust Group has met the pre-determined performance targets for such performance period, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

In respect of the Unit awards granted under the PUP in FY 2020 and FY 2021, the respective qualifying performance periods have not ended as at the date of this Report.

Ascendas Property Fund Trustee Pte. Ltd. Restricted Unit Plan

In FY 2021, the Board granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

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

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

(b) Distribution per Unit of the a-iTrust Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Unitholder value. The final number of Units to be released will depend on the a-iTrust Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released in equal annual tranches over a vesting period of three years. No Units will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the RUP baseline award can be delivered up to a maximum of 150% of the RUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant qualitative and quantitative factors. Recipients will receive fully paid Units at no cost.

In respect of the Unit awards granted under the RUP in FY 2021, based on the NRC's assessment that the performance achieved by the a-iTrust Group has met the pre-determined performance targets for FY 2021, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

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

D. Employee Benefits

The benefits provided are comparable with local market practices.

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

Provision 8.1 of the Code requires an issuer to disclose the CEO's exact remuneration amount and the requisite remuneration band for each of the other key management personnel (who are not also Directors or the CEO). The Board has considered carefully and decided that such disclosure would not be in the interests of the Trustee-Manager or Unitholders due to the intense competition for talents in the industry, as well as the need to balance the confidential and commercial sensitivities associated with remuneration matters. The Trustee-Manager is making available, however, the CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the other key management personnel (excluding the CEO), together with a breakdown of their respective remuneration components in percentage terms, which are set out in the Key Management Personnel's Remuneration Table on page 139 of this Annual Report. The Trustee-Manager is of the view that its practice of disclosing the afore-mentioned information and the other disclosures on this Report is consistent with the intent of Principle 8 of the Code and provides sufficient information and transparency to the Unitholders on the Trustee-Manager's remuneration policies and the level and mix of remuneration, the procedure for setting remuneration and the relationship between remuneration, performance and value creation. In addition, the remuneration of the key management personnel is not borne by a-iTrust as it is paid out of the fees that the Trustee-Manager receives (the quantum and basis of which have been disclosed).

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

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

In FY 2021, a one-time Special CLI Founders Performance Share Plan (Special PSP Award) was granted by the CLI Group to selected senior executives within the group (including the Trustee-Manager) to commemorate its listing, foster a "founders' mindset" in driving transformation and retain talent. The grant has a five-year vesting period with defined performance parameters which are linked to CLI. Subject to the performance achieved, the award may vest at the end of the third year and/or fifth year. In addition, such compensation is in the long-term interests of a-iTrust as a-iTrust is a key part of CLI's business and ecosystem (and CLI is also the largest Unitholder of a-iTrust), and Management's actions to grow a-iTrust and drive a-iTrust's performance will also have a positive impact on CLI, thus reinforcing the complementary nature of the linked performance between a-iTrust and CLI. The cost of this one-time award will be borne by the Trustee-Manager and it is not expected to form a significant part of the key management personnel's remuneration over a five-year period. In addition, as can be seen in the "Key Management Personnel's Remuneration Table for FY 2021", a proportion of Management's remuneration is paid in the form of Units, which further incentivises Management to take actions which are beneficial to the Unitholders. Accordingly, the Special PSP Award will not result in Management prioritising the interest of CLI over that of a-iTrust given that the bulk of their remuneration is determined based on the evaluation of the performance of a-iTrust and a proportion of their remuneration comprises Units. In addition, it should be further noted that under the BTA, the Trustee-Manager and Directors of the Trustee-Manager are required to act in the best interest of a-iTrust and give priority to the interest of a-iTrust over the interests of the shareholders of the Trustee-Manager, and this would further mitigate any potential conflicts of interest. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of a-iTrust. Accordingly, the Trustee-Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders.

In FY 2021, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY 2021, there were no employees of the Trustee-Manager who were substantial shareholders of the Trustee-Manager, substantial Unitholders of a-iTrust or immediate family members of a Director, the CEO, any substantial shareholder of the Trustee-Manager or any substantial Unitholder of a-iTrust. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Disclosures under AIFMR

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

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

The aggregate amount of remuneration awarded by the Trustee-Manager to its staff (including CEO and non-executive Directors) in respect of FY 2021 was approximately S$5.11 million. This figure comprised of fixed pay of S$2.91 million, variable pay of S$1.97 million (including Units issued under the Unit Plans, where applicable) and allowances and benefits-in-kind of S$0.23 million. There were a total of 25 beneficiaries of the remuneration described above. In respect of FY 2021, the aggregate amount of remuneration awarded by the Trustee-Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of a-iTrust) was approximately S$3.31 million, comprising 7 individuals identified having considered, among other factors, their roles and decision-making powers.

Remuneration for Non-Executive Directors

The non-executive Directors' fees are paid by the Trustee-Manager and the FY 2021 fees, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 139 of this Annual Report.

The compensation policy for non-executive Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The non-executive Directors' fee structure and Directors' fees are reviewed and benchmarked against the REIT industry, taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of the business of the a-iTrust Group. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Trustee-Manager and a-iTrust.

The CEO, who is an executive Director is remunerated as part of the key management personnel of the Trustee-Manager and does not receive any Director's fees. The non-executive Directors who are employees of the CLI Group also do not receive any Directors' fees.

The non-executive Directors' fees are paid in cash (about 80%) and in the form of Units (about 20%), save that (i) a non-executive Director (not being an employee of the CLI Group) who steps down from the Board during a financial year will be paid fees fully in cash, and (ii) Mrs Zia Jaydev Mody, who is a non-resident director based outside of Singapore, will be paid fully in cash. The Trustee-Manager believes that the payment of a portion of the non-executive Directors' fees in Units will serve to align the interests of non-executive Directors with the interests of Unitholders and a-iTrust's long-term growth and value. The payment of Non-Executive Directors' fees in Units is satisfied out of the Units held by the Trustee-Manager. No individual Director is involved in any decision of the NRC relating to his or her own remuneration.

In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold the number of Units worth at least one year of the basic retainer fee or the total number of Units awarded, whichever is lower, at all times during his or her Board tenure.

As with previous years, an independent remuneration consultant, Willis Towers Watson, was engaged in FY 2021 to provide professional advice on Board remuneration, with a view to ensuring the fee structure remains in line with market. The framework for the non-executive Directors' fees has remained unchanged from that of the previous financial year.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

- formulation and implementation of an Enterprise Risk Management (ERM) Framework which comprises a risk register and related internal controls to mitigate such risks, which is regularly reviewed by Management, the ARC and the Board;
- audits performed by internal auditors in accordance with the audit plan;
- process improvement initiatives undertaken by the asset companies;
- implementation of formal policies and procedures relating to the delegation of authority;
- involvement of experienced and suitably qualified employees who take responsibility for important business functions; and
- segregation of key functions which may give rise to possible errors or irregularities.

The scope of the ARC's duties and responsibilities includes:

(a) assessing the adequacy and effectiveness of the risk management and internal controls systems established by the Trustee-Manager to manage risks;

(b) overseeing the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with the a-iTrust Group's risk appetite and reports to the Board on its decisions on any material matters concerning the above;

(c) making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Board in the Annual Report in accordance with the Listing Manual and the Code; and

(d) considering and advising on risk matters referred to it by the Board or Management, including reviewing and reporting to the Board on any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Trustee-Manager adopts an ERM Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

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

More information on the Trustee-Manager's ERM Framework including the material risks identified can be found in the Risk Management section on pages 40 to 45 of this Annual Report.

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

The Board has received assurance from the CEO and the Chief Financial Officer (CFO) of the Trustee-Manager that the financial records of the a-iTrust Group have been properly maintained and the financial statements for FY 2021 give a true and fair view of the a-iTrust Group's operations and finances. It has also received assurance from the CEO and the CFO, being the relevant key management personnel who have responsibility regarding various aspects of risk management and internal controls, that the systems of risk management and internal controls within the a-iTrust Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) that the Trustee-Manager considers relevant and material to the current business environment. The CEO and the CFO have obtained similar assurances from the respective risk and control owners.

In addition, for FY 2021, the Board received quarterly certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

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

The internal controls systems include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practice, and the management of business risks. Such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives and provide only reasonable, and not absolute, assurance against material misstatement or loss.

Based on the ERM Framework and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO, the Board is of the opinion that the systems of risk management and internal controls (including financial, operational, compliance and IT controls) are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the a-iTrust Group considers relevant and material to its current business environment as at 31 December 2021. The ARC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the ARC in the review for FY 2021.

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

PRINCIPLE 10: AUDIT COMMITTEE

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

The ARC does not comprise former partners of a-iTrust's incumbent external auditors, Ernst & Young LLP, and its incoming external auditors, Deloitte & Touche LLP, respectively, (a) within a period of two years commencing from the date of their ceasing to be partners of the respective firm; or (b) who have any financial interest in the respective firm.

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

The ARC's scope of duties and responsibilities includes:

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

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Trustee-Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems;

(c) reviewing the scope and results of the external audit and the independence and objectivity of the external auditors;

(d) reviewing the scope and results of the internal audit and the adequacy and effectiveness of the Trustee-Manager's internal audit (IA) and compliance functions;

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

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

(g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, and independently investigated, for appropriate follow up action to be taken.

The ARC undertook a review of the independence of the external auditors, taking into consideration, among other factors, the non-audit services provided, a-iTrust's relationships with the external auditors in FY 2021, as well as the processes and safeguards adopted by the Trustee-Manager and the external auditors relating to audit independence. Based on the review, the ARC is satisfied that the independence of the external auditors is not affected by the provision of the non-audit services. The external auditors have also provided confirmation of their independence to the ARC. The total audit and non-audit fees for FY 2021 paid or payable to external auditors amounted to S$573,000, comprising audit fees of S$343,000 and non-audit fees of S$230,000. Due to the rotation of auditor requirement under the laws of India, Ernst and Young LLP cannot be reappointed as external auditors of subsidiaries in India for more than two terms of five consecutive years. On the foregoing basis, the Board has concurred with the ARC's recommendation for the appointment of Deloitte & Touche LLP as the independent external auditors of a-iTrust Group at the upcoming AGM of the Unitholders. The incumbent external auditors, Ernst & Young LLP, will be retiring and will not seek for re-appointment as external auditors for FY 2022.

Ernst & Young LLP was appointed as the external auditors for a-iTrust and its Singapore incorporated subsidiaries and significant associated companies. Unitholders' approval was obtained for their re-appointment at the last AGM on 12 April 2021. Ernst & Young LLP will hold office until the conclusion of the upcoming AGM. The ARC has assessed the performance of the external auditors based on factors such as the performance and quality of their audit and the independence of the auditor.

The ARC holds at least 4 scheduled meetings in a year and met 4 times in FY 2021. At all scheduled ARC meetings in FY 2021, the CEO and the CFO were in attendance. With effect from FY 2020, a-iTrust had adopted the practice of announcing its financial statements on a half-yearly basis and had been providing quarterly business updates in between such announcements or as and when necessary. Accordingly, during the ARC meetings in July 2021 and January 2022, among other things, the ARC reviewed the half-yearly financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues and recommended the half-yearly financial statements and corresponding announcements to the Board for approval. During the ARC meetings in April and October 2021, the ARC reviewed, among other things, the quarterly business and financial updates presented by Management. Such business updates contain, among other things, information on the a-iTrust Group's key operating and financial metrics.

In FY 2021, the ARC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Trustee-Manager to manage risks, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurances from the CEO and the CFO.

The ARC also meets with the external auditors, and with the internal auditors, without the presence of Management, at least once a year. In FY 2021, the ARC met with the external auditors and internal auditors once, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors.

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

Key Audit Matters

In the review of the financial statements of the a-iTrust Group for FY 2021, the ARC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC reviewed, amongst other matters, the following key audit matters, as reported by the external auditors for FY 2021.

Key audit matters	How these issues were addressed by the ARC
1. Valuation of investment properties and investment properties under construction	ARC has reviewed the appropriateness of the valuation techniques as well as the other key estimates and assumptions adopted in the valuation prepared by the independent professional valuers, CBRE South Asia Private Limited. ARC also assessed the reasonableness of the movements in fair value of the properties by taking into consideration the comparability, industry development and market factors used by the valuers, considering estimation uncertainty and judgement involved in determining the valuation of investment properties as at 31 December 2021 arising from the changes in market and economic conditions brought on by the ongoing COVID-19 pandemic.
2. Taxation matters	ARC has reviewed the status of the open tax issues with uncertain positions and adequacy of the a-iTrust Group's accounting treatment and disclosures in the financial statements, inclusive of contingent liabilities disclosure and the deferred tax together with the assumptions used.

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

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

Internal Audit

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

The ARC monitors and assesses the role and effectiveness of the IA function through reviewing the IA process from time to time and may make recommendations to the Board for any changes to the IA process. The ARC also reviews to ensure that the IA function is adequately resourced and skilled in line with the nature, size and complexity of the Trustee-Manager and a-iTrust's business, and that an adequate budget is allocated to the IA function to assure its proper functioning. In FY 2021, the ARC has carried out a review of the IA function and is satisfied that the IA function performed by CLI IA is adequately resourced, effective and independent.

CLI IA plans its IA schedules in consultation with, but independently of, Management and its plan is submitted to the ARC for approval prior to the beginning of each year. During FY 2021, the ARC reviewed the results of audits performed by CLI IA based on the approved audit plan. The ARC also reviewed reports on whistle-blower complaints reviewed by CLI IA to ensure independent and thorough investigation and adequate follow up. The ARC also received reports on Interested Person Transactions reviewed by CLI IA that they were on normal commercial terms and are not prejudicial to the interests of a-iTrust and its minority Unitholders.

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

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

UNITHOLDER RIGHTS AND ENGAGEMENT

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

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

General Meetings

In view of the COVID-19 pandemic, the previous general meeting held on 12 April 2021 (AGM 2021) was, and the forthcoming AGM to be held on 14 April 2022 will be, held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (COVID-19 Temporary Measures Order) and in accordance with the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation (Checklist).

The alternative arrangements put in place for the conduct of the AGM 2021 included attendance at the AGM 2021 via electronic means under which Unitholders could observe and/or listen to the AGM 2021 proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2021, addressing of substantial and relevant questions prior to or at the AGM 2021 and voting by appointing the chairman of the meeting as proxy at the AGM 2021. All Directors (including the CEO who is also a Director) attended the AGM 2021 either in-person or via electronic means. A record of the Directors attendance at the AGM 2021 can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY 2021 set out on page 138 of this Annual Report. The upcoming AGM to be held on 14 April 2022 will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist. Unitholders will be entitled to submit questions in advance of and/or live at the AGM through the live chat function via the audio-visual platform and vote at the AGM live by themselves or their duly appointed proxy(ies) (other than the chairman of the meeting) via electronic means or by appointing the chairman of the meeting as their proxy to vote on their behalf, to facilitate interaction between the Board, Management and Unitholders. Further details on the alternative arrangements put in place for the conduct of the upcoming AGM are set out in the Trustee-Manager's notice of AGM dated 21 March 2022.

The description below sets out a-iTrust's usual practice for Unitholders' meetings which are not convened and held pursuant to the COVID-19 Temporary Measures Order.

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate Unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two-proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of a-iTrust. Nevertheless, for the AGM 2021 which was convened and held pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist, Unitholders could only appoint the chairman of the meeting as their proxy to attend, speak and vote on their behalf at the general meeting.

a-iTrust supports the principle of encouraging Unitholder participation and voting at general meetings. a-iTrust's Annual Report is provided to Unitholders within 120 days from the end of a-iTrust's financial year. Unitholders may download the Annual Report (printed copies of the Annual Report are available upon request) and notice of the general meeting from the Website. More than the legally required notice period for general meetings is generally provided. The notice of the general meeting is also available on SGXNet. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis. To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting.

At AGMs, Management makes a presentation to Unitholders to update them on a-iTrust's performance, position and prospects. The presentation materials are made available to Unitholders on the Website and also on SGXNet.

Unitholders are informed of the rules governing general meetings and are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting a-iTrust. Directors (including the Chairman of the respective Board Committees), key management personnel and the external auditors of a-iTrust, are present for the entire duration of the AGMs to address any queries that the Unitholders may have, including queries about the conduct of a-iTrust's external audit and the preparation and contents of the external auditors' report.

To ensure transparency in the voting process and better reflect Unitholders' interests, a-iTrust conducts electronic poll voting for all the resolutions proposed at general meetings. Nevertheless, for the AGM 2021 which was convened and held pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist, Unitholders voted by appointing the chairman of the meeting as their proxy to vote on their behalf. One Unit is entitled to one vote. Voting procedures and the rules governing general meetings are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders after each resolution is voted on at the general meetings. The total number of votes cast for or against each resolution and the respective percentages are also announced on SGXNet after the general meetings.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. a-iTrust's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail or email). The Trustee-Manager will consider implementing the relevant amendments to a-iTrust's Trust Deed to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and the authentication of the identity of Unitholders through the internet will not be compromised, and after the implementation of legislative changes to recognise remote voting. The Trustee-Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting a-iTrust even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

Minutes of the general meetings recording the substantial and relevant comments made, questions raised, and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on the Website as soon as practicable. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy

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

Timely Disclosure of Information

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

For FY 2021, the Trustee-Manager provided Unitholders with half year and full year financial statements within the relevant periods prescribed by the Listing Manual. These half year and full year financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of half year and full year financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting the half year and full year financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of a-iTrust and the a-iTrust Group's performance, position and prospects.

In addition to the announcements of half year and full year financial statements in FY 2021, in keeping with the Trustee-Manager's commitment to provide its Unitholders with information promptly, the Trustee-Manager also provided Unitholders, on a voluntary basis, with quarterly business updates in between the announcement of half-yearly financial statements. Such business updates contain, among other things, information on the a-iTrust Group's key operating and financial metrics.

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

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

The Trustee-Manager believes in conducting the business of a-iTrust in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for a-iTrust and the Trustee-Manager's accountability to Unitholders for a-iTrust's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Trustee-Manager.

Investor Relations

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

The Trustee-Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place an Investor Relations Policy to promote regular, effective and fair communications with Unitholders.

The Investor Relations Policy sets out the mechanism through which Unitholders may contact the Trustee-Manager with questions and through which the Trustee-Manager may respond to such questions. Unitholders are welcome to engage with the Trustee-Manager beyond general meetings and they may do so via phone calls or emails.

More information on the Trustee-Manager's investor relations efforts can be found in the Investor Relations section on pages 46 to 47 of this Annual Report.

The Trustee-Manager also has in place a corporate communications function supported by CLI's Group Communications department which works closely with the media and oversees a-iTrust's media communications efforts.

Managing Stakeholder Relationships

The Board's role includes considering sustainability as part of its strategic formulation. The Trustee-Manager adopts an inclusive approach for a-iTrust by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of a-iTrust are served. The Trustee-Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in a-iTrust's business strategies and operations. The Trustee-Manager has arrangements in place to identify and engage with material stakeholder groups from time to time to gather feedback on the sustainability issues most important to them and to manage a-iTrust's relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information to facilitate communication and engagement with a-iTrust's stakeholders. More details of a-iTrust's sustainability strategy and stakeholder engagement can be found on pages 92 to 93 of this Annual Report.

ADDITIONAL INFORMATION

Investment Committee

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

At present, the IC comprises four Directors, two of whom are IDs. The four members on the IC are Mr Manohar Khiatani (IC Chairman), Mrs Zia Jaydev Mody, Ms Tan Soon Neo Jessica and Mr Jonathan Yap Neng Tong.

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

For FY 2021, the IC has met to approve the business plans of a-iTrust for the upcoming financial year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Trustee-Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of a-iTrust and Unitholders. In respect of such transactions, the Trustee-Manager would have to demonstrate to the ARC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of a-iTrust and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

In particular, the procedures in place include the following:

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
Below S$100,000 per transaction	• Management
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[2] with the same Interested Person in the same financial year is less than 3.0% of a-iTrust's net tangible assets)	• Management • ARC
Transaction[2] which: (a) is equal to or exceeds 3.0% of a-iTrust's net tangible assets but below 5.0% of a-iTrust's net tangible assets; or (b) when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of a-iTrust's net tangible assets but below 5.0% of a-iTrust's net tangible assets	• Management • ARC • Immediate announcement
Transaction[2] which: (a) is equal to or exceeds 5.0% of a-iTrust's net tangible assets; or (b) when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of a-iTrust's net tangible assets	• Management • ARC • Immediate announcement • Unitholders[3]

Notes:
1 This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rules 915 and 916 of the Listing Manual.
2 Any transaction of less than S$100,000 in value is disregarded.
3 In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of a-iTrust's net tangible assets (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

Guidelines and procedures established to monitor Interested Persons Transactions will be audited by CLI IA on a periodic basis. CLI IA's role will include carrying out an audit on the IPT framework and procedures as a separate audit engagement. As part of this engagement, CLI IA will review, amongst other procedures, the maintenance of IPT registers, process of identification of IPTs, the comparables used for assessing if IPTs are undertaken on an arm's length basis and on normal commercial terms, and that there are reasonable and valid documentations supporting the conclusions on IPTs. CLI IA will also carry out testing on sampling basis for the entire population of IPTs (including IPTs below S$100,000).

Role of the Audit and Risk Committee for Interested Person Transactions

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

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

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by a-iTrust in FY 2021 are disclosed on pages 148 to 149 of this Annual Report

Dealing with Conflicts of Interest

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

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

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

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

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

(e) the Board shall comprise:

    (i) at least a majority of Directors who are independent from management and business relationships with the Trustee-Manager;

    (ii) at least one-third of Directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

    (iii) at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.

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

Dealings in Securities

The Trustee-Manager has adopted a securities dealing policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Trustee-Manager as well as certain relevant executives of the CLI Group (together, the Relevant Persons) are required to refrain from dealing in a-iTrust's securities (i) while in possession of material unpublished price-sensitive information, and (ii) during the one-month period immediately preceding, and up to the time of each announcement of a-iTrust's half-year and full year financial statements. Prior to the commencement of each relevant black-out period, an email would be sent to all the Relevant Persons to inform them of the duration of the black-out period. The Trustee-Manager also does not deal in a-iTrust's securities during the same black-out period.

In addition, Directors and certain employees identified as "Key Insiders" are also prohibited from dealing in the securities of a-iTrust at all other times, except during the open trading window (being the one calendar month commencing from the relevant date of announcement of a-iTrust's results), provided they are not in possession of undisclosed material or price-sensitive information. Employees of the Trustee-Manager are also required to give a pre-trading notification to the CEO and the Compliance department before any dealing in a-iTrust's securities.

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

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

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

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

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY 2021, based on the information available to the Trustee-Manager, save as disclosed in accordance with such requirements and other than the awards of Units in part payment of Directors' fees, there were no dealings by the Directors in a-iTrust's securities.

Code of Business Conduct

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

The policies and guidelines are published on CLI Group's intranet, which is accessible by all employees of the Trustee-Manager.

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

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

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

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

Fraud, Bribery and Corruption Risk Management Policy

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

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

Whistle-Blowing Policy

The Trustee-Manager has in place a whistle-blowing policy which sets out the procedures for the Trustee-Manager's employees and parties who have dealings with the Trustee-Manager to make a report to the Trustee-Manager on misconduct or wrongdoings relating to the Trustee-Manager and/or its officers. Procedures are put in place to provide such employees and parties with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The Trustee-Manager ensures that the identity of the whistle-blower is kept confidential. The objective of the whistle-blowing policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The Trustee-Manager is committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. The ARC is designated as an independent function to investigate all whistle-blowing reports made in good faith at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are taken. The outcome of each investigation is reported to the ARC, which is responsible for oversight and monitoring of whistleblowing. All employees of the Trustee-Manager are informed of this policy which is made available on CLI Group's intranet.

Business Continuity Management

The Trustee-Manager has implemented a Business Continuity Management (BCM) programme to minimise the impact of adverse business interruptions or unforeseen events on the a-iTrust Group's operations and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources. Periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of these processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber-attacks, data breaches and epidemics. This approach aims to minimise financial loss to a-iTrust, allow the Trustee-Manager to continue to function as the trustee-manager of a-iTrust and mitigate any negative effects that the disruptions could have on the Trustee-Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations.

Composition of Board Committees in FY 2021

Board Members	Audit and Risk Committee	Investment Committee	Nominating and Remuneration Committee[1]
Mr Chiang Chie Foo	–	–	C
Mr Manohar Khiatani	–	C	M
Mr Sanjeev Dasgupta	–	–	–
Mr Alan Rupert Nisbet	C	–	M
Mrs Zia Jaydev Mody	M	M	–
Dr Ernest Kan Yaw Kiong	M	–	–
Ms Tan Soon Neo Jessica	–	M	–
Mr Jonathan Yap Neng Tong	–	M	–

Denotes: C – Chairman M – Member

Note:
1 The Nominating and Remuneration Committee has been formed with effect from 1 November 2021.

Attendance Record of Meetings of Unitholders, Board and Board Committees in FY 2021[1]

	Board[2]	Audit and Risk Committee	Nominating and Remuneration Committee[3]	Investment Committee	AGM[4]
No. of Meetings Held	6	4	–	5	1
Board Members					
Mr Chiang Chie Foo	100%	–	–	–	100%
Mr Manohar Khiatani	100%	–	–	100%	100%
Mr Sanjeev Dasgupta	100%	–	–	–	100%
Mr Alan Rupert Nisbet	100%	100%	–	–	100%
Mrs Zia Jaydev Mody	100%	100%	–	80%	100%
Dr Ernest Kan Yaw Kiong	100%	100%	–	–	100%
Ms Tan Soon Neo Jessica	100%	–	–	100%	100%
Mr Jonathan Yap Neng Tong	100%	–	–	100%	100%

Notes:
1 All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
2 Includes a Board Strategy Meeting and a Business Plan and Budget Meeting.
3 The Nominating and Remuneration Committee has been formed with effect from 1 November 2021.
4 Provision 11.3 of the Code requires all directors to attend general meetings of Unitholders.

Key Management Personnel's Remuneration Table for FY 2021

	Components of Remuneration			
	Salary inclusive of employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
CEO				
Sanjeev Dasgupta	37%	30%	33%	100%

Remuneration Band for CEO: **Above S$1,000,000 to S$1,250,000**[3]

	Salary inclusive of employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
Key Management Personnel (excluding CEO)				
Cheah Ying Soon[4] (for period from 1 November to 31 December 2021) Tan Choon Siang[5] (for period from 1 January to 31 October 2021) Sumit Gera Rohith Bhandary	55%	36%	9%	100%

Aggregate of the total remuneration for key management personnel (excluding CEO): **S$1,471,939**[6]

Notes:
1 The amounts disclosed include bonuses earned which have been accrued for in FY 2021.
2 The proportion of value of the Unit awards is based on the fair value of the Units comprised in the contingent awards under the Ascendas Property Fund Trustee Pte. Ltd. Restricted Unit Plan (RUP) and the Ascendas Property Fund Trustee Pte. Ltd. Performance Unit Plan (PUP) at the time of grant in FY 2021. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.
3 The disclosure excludes the one-time contingent Special PSP Award of 177,116 CLI shares granted to the CEO.
4 Cheah Ying Soon was appointed as Chief Financial Officer with effect from 1 November 2021.
5 Tan Choon Siang was transferred out from Ascendas Property Fund Trustee Pte. Ltd. with effect from 1 November 2021.
6 The disclosure excludes the one-time contingent Special PSP Award of 177,116 CLI shares granted to certain key management personnel (excluding the CEO).

Non-Executive Directors' Remuneration Table for FY 2021

	Components of Directors' fees[1,2] (S$)		
	Cash component	Unit component[2]	Total
Non-Executive Directors			
Mr Chiang Chie Foo	97,474.40	24,368.60	121,843.00
Mr Alan Rupert Nisbet	99,737.60	24,934.40	124,672.00
Mrs Zia Jaydev Mody[3]	105,000.00	–	105,000.00
Dr Ernest Kan Yaw Kiong	69,600.00	17,400.00	87,000.00
Ms Tan Soon Neo Jessica	61,600.00	15,400.00	77,000.00
Mr Manohar Khiatani	N.A.[4]	N.A.[4]	N.A.[4]
Mr Jonathan Yap Neng Tong	N.A.[4]	N.A.[4]	N.A.[4]

Aggregate of Remuneration for Non-Executive Directors: S$515,515

N.A.:Not applicable

Notes:
1 Inclusive of attendance fees of (a) S$2,000 (local meeting) and S$5,000 (overseas meeting) per meeting attendance in person, (b) S$1,700 per meeting attendance via audio or video conference, (c) S$1,000 per meeting attendance at project or verification meetings, and (d) S$500 per meeting attendance via audio or video conference at project and verification meetings. Attendance fees at project and verification meetings are subject to a maximum of S$10,000 per Director per annum.
2 Each non-executive Director (save for non-executive Directors who are employees of CLI Group and/or non-resident Directors based outside Singapore) shall receive about 20% of his or her Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Trustee-Manager from the Units that it holds.
3 Mrs Zia Jaydev Mody, who is a non-resident director based outside of Singapore, will be paid fully in cash.
4 Non-executive Directors who are employees of CLI Group do not receive Directors' fees.

Contents

The Directors of Ascendas Property Fund Trustee Pte. Ltd., the trustee-manager of Ascendas India Trust (the "Trustee-Manager"), are pleased to present their statement to the Unitholders of Ascendas India Trust (the "Trust") and its subsidiaries (together referred to as the "Group"), together with the audited financial statements of the Group. The audited financial statements comprise the balance sheets of the Group and the Trust as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

In the opinion of the Directors,

(i) the accompanying balance sheets of the Group and the Trust, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows as set out on pages 158 to 228 are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2021, and of the financial performance, changes in unitholders' funds and cash flows of the Group, for the financial year ended on that date; and

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

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

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

(ii) the interested person transactions entered into by the Group during the financial year ended 31 December 2021 are not detrimental to the interests of all the Unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

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

DIRECTORS

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

Mr Chiang Chie Foo	(Chairman)
Mr Manohar Khiatani	(Deputy Chairman)
Mr Sanjeev Dasgupta	
Mr Alan Rupert Nisbet	
Mrs Zia Jaydev Mody	
Dr Ernest Kan Yaw Kiong	
Ms Tan Soon Neo Jessica	
Mr Jonathan Yap Neng Tong	

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

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

DIRECTORS' INTERESTS IN UNITS AND DEBENTURES

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

	Units held as at			
	1 January 2021		31 December 2021	
Name of Director	Direct	Deemed	Direct	Deemed
Mr Chiang Chie Foo	–	–	**13,359**	**–**
Mr Alan Rupert Nisbet	–	–	**–**	**11,880**
Dr Ernest Kan Yaw Kiong	–	–	**939**	**–**
Ms Tan Soon Neo Jessica	–	–	**1,067**	**–**
Mr Jonathan Yap Neng Tong	500,000	150,000	**500,000**	**150,000**
Mr Sanjeev Dasgupta	76,849	–	**130,979**	**–**
Contingent award of Performance units[1] to be delivered after 2021				
Mr Sanjeev Dasgupta (143,763 units)	0 to 287,526[3]	–	**0 to 287,526[3]**	**–**
Contingent award of Performance units[1] to be delivered after 2022				
Mr Sanjeev Dasgupta (118,017 units)	0 to 236,034[3]	–	**0 to 236,034[3]**	**–**
Contingent award of Performance units[1] to be delivered after 2023				
Mr Sanjeev Dasgupta (144,310 units)	–	–	**0 to 288,620[3]**	**–**
Unvested Restricted units[2] to be delivered after 2019				
Mr Sanjeev Dasgupta	76,849[5,6]	–	**76,849[5,6]**	**–**
76,849 units were released and settled in cash in 2020				
Unvested Restricted units[2] to be delivered after 2020				
Mr Sanjeev Dasgupta	0 to 177,025[4,5]	–	**108,261[5,7]**	**–**
Contingent award of Restricted units[2] to be delivered after 2021				
Mr Sanjeev Dasgupta	–	–	**0 to 216,465[4,5]**	**–**

There was no change in any of the above-mentioned interests in the Trust between the end of the financial year and 21 January 2022.

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

UNIT OPTIONS

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

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

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

AUDIT AND RISK COMMITTEE

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

Mr Alan Rupert Nisbet (Chairman)
Mrs Zia Jaydev Mody
Dr Ernest Kan Yaw Kiong

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

– Reviewing with the external and internal auditors, the scope and results of the internal audit procedures of the Trustee-Manager; the audit plans and audit reports and the auditors' evaluation of the system of internal accounting controls, based on the recommendations and observations of the auditors;

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

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

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

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

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

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

AUDIT AND RISK COMMITTEE (continued)

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

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

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

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

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

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

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

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

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

AUDITOR

The independent auditor, Ernst & Young LLP, will be retiring and will not seek for re-appointment.

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

MANOHAR KHIATANI
Director

SANJEEV DASGUPTA
Director

24 February 2022

Statement by the Chief Executive Officer of the Trustee-Manager

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

SANJEEV DASGUPTA
Chief Executive Officer

24 February 2022

Statement on Policies and Practices

IN RELATION TO THE MANAGEMENT AND GOVERNANCE OF THE TRUST PURSUANT TO SECTION 87 OF THE BUSINESS TRUSTS ACT 2004

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

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

- the property of a-iTrust is properly accounted for and is kept distinct from any property held by the Trustee-Manager in its own capacity;
- adherence to the business scope of a-iTrust as set out in the trust deed constituting a-iTrust dated 7 December 2004 (as amended, varied or supplemented from time to time) (the "Trust Deed");
- potential conflicts between the interests of the Trustee-Manager and the interests of the Unitholders as a whole are appropriately managed;
- interested persons transactions are transparent, properly reviewed and recorded;
- expenses and cost allocations payable to the Trustee-Manager out of the property of a-iTrust, and fees and expenses charged to a-iTrust are appropriate and in accordance with the Trust Deed; and
- compliance with the Business Trusts Act 2004 ("BTA"), the Listing Rules of Singapore Exchange Securities Trading Limited ("SGX-ST") and any other applicable laws and regulations.

TRUST PROPERTY PROPERLY ACCOUNTED FOR

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

ADHERENCE TO BUSINESS SCOPE

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

POTENTIAL CONFLICTS OF INTEREST

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

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

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

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

(i) Property Management Agreement

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

(ii) Exempted Agreements

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

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS (continued)

(iii) Future Interested Person Transactions

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

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

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

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

INTERESTED PERSON TRANSACTIONS IN FY 2021

The interested person transactions done in the financial year ended 31 December 2021 ("FY 2021") are set out below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Ascendas Property Fund Trustee Pte. Ltd.*	Trustee-Manager of a-iTrust		
– Trustee-manager fees paid/payable		16,957	–
– Acquisition fees paid/payable		1,306	–

* Refer to "Exempted Agreements" in paragraph (ii) on page 147.

INTERESTED PERSON TRANSACTIONS IN FY 2021 (continued)

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
ASIPL*	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)		
Fees received/receivable by ASIPL from a-iTrust			
– Property management services		3,606	–
– Lease management services		1,799	–
– Marketing services		3,489	–
– Project management services		276	–
– General management services		4,125	–
Office rental and related miscellaneous income received/receivable by a-iTrust from:			
ASIPL	Property Manager of a-iTrust (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	588	–
Olam Information Services Private Limited	Tenant (an associate of a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	1,451	–
Ascendas Flexioffice India Private Limited	Tenant (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	351	–
NCSI Technologies India Private Limited	Tenant (an associate of the Sponsor, a controlling shareholder of the Trustee-Manager and a controlling unitholder of a-iTrust)	403	-

* Refer to "Exempted Agreements" in paragraph (ii) on page 147.

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

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

Fees payable to the Trustee-Manager

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

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

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

The base fee and the performance fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). The Trustee-Manager had elected to receive 50% of both base fee and performance fee in Units and the remainder in cash for FY 2021.

For transactions, the Trustee-Manager is entitled to:

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

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

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

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

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

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

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

The table below sets out the fees earned by the Trustee-Manager for the financial year ended 31 December 2021:

	$'000
Management Fee	10,566
Performance Fee	5,974
Trustee Fee	417
Acquisition Fee	1,306
Total	18,263

For FY 2021, the Board met every quarter to review the expenses charged to a-iTrust against the budget approved by the Board.

The expenses charged to a-iTrust for the financial year ended 31 December 2021 are set out below:

	$'000
Travel, entertainment and others	78

COMPLIANCE WITH THE BTA AND LISTING RULES

The Company Secretary and Compliance Officer monitor compliance by a-iTrust with the BTA and SGX-ST's Listing Rules.

Statement on Composition of the Board of Directors

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

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

The Board consists of eight directors, five of whom are independent directors for the purposes of the BTR.

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

Mr Chiang Chie Foo;
Mr Alan Rupert Nisbet;
Mrs Zia Jaydev Mody;
Dr Ernest Kan Yaw Kiong; and
Ms Tan Soon Neo Jessica.

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

Mr Khiatani is the Senior Executive Director of CapitaLand Investment Limited and Mr Yap is the Chief Executive Officer, Fund Management of CapitaLand Investment Group. Mr Dasgupta is the Chief Executive Officer of the Trustee-Manager.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas India Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Trust as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in unitholders' funds and the consolidated statement of cash flows of the Group for the financial 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 Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2021 and of the consolidated financial performance, changes in unitholders' funds and consolidated cash flows of the Group for the financial 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, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matters (continued)

Valuation of investment properties and investment properties under construction

The Group's investment properties and investment properties under construction (collectively, the "Properties") with a carrying value of $2,444 million represent 78% of the Group's total assets as at 31 December 2021.

The valuation of the Properties is significant to our audit due to their magnitude and complexity, and is highly dependent on a range of estimates made by Trustee-Manager and the independent professional valuers engaged by the Trustee-Manager. The Trustee-Manager use independent professional valuers to support their determination of the fair value of the Properties annually. As disclosed in Note 31(c), the valuation of the Properties involves significant unobservable inputs. The most significant judgements and estimates affecting the valuations are discount rates, capitalisation rates and transacted price of comparable properties. In addition, there is estimation uncertainty and judgement is involved in determining the valuation of investment properties as at 31 December 2021 arising from the changes in market and economic conditions brought on by the ongoing COVID-19 pandemic.

Amongst others, we have considered the objectivity, independence and capabilities of the independent professional valuers. We, together with our internal valuation specialists, assessed the appropriateness of the valuation techniques and property related data (such as property taxes and other key estimates) used by Management and the independent professional valuers in the estimation process by comparing them against historical rates and available industry data. In doing so, we have taken into consideration both comparability and market factors. We held discussions with the external valuers to understand the valuation methodologies, key assumptions used in the valuation and their scope of work in response to the heightened level of estimation uncertainty. We assessed the appropriateness of the valuation models used by the external valuers by considering the valuation methodologies adopted for similar property types. We also assessed the reasonableness of the movements in fair value of the Properties. We also assessed the adequacy of disclosure in Note 31(c) relating to the assumptions used in the valuation process given the estimation uncertainty and sensitivity of the valuations on the Properties in Note 19 and Note 20 to the financial statements.

Taxation matters

(a) Uncertain tax positions

The Group operates in different jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These areas include disputed tax positions, transfer pricing, service tax, value added-tax on fit-out rental and property tax. This is described in more details in Note 34 of the financial statements. The tax matters are at various stages, from preliminary discussions with tax authorities through to tax tribunal or court proceedings where the matters can take many years to resolve. Significant judgement is required in assessing the tax issues and the potential exposures to determine whether, and how much, to provide in respect of tax assessments leading to uncertain tax positions. Accordingly, we have identified this as a key audit matter. At 31 December 2021, the Group has disclosed contingent liabilities arising from uncertain tax positions as set out in Note 34 to the financial statements.

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

Key Audit Matters (continued)

***Taxation matters** (continued)*

(b) Deferred tax

As at 31 December 2021, the Group has recognised deferred tax liabilities of $400 million. As disclosed in the financial statements, the Group operates mainly in India whereby certain subsidiaries have tax benefits arising from local tax regulations such as Minimum Alternative Tax ("MAT") credit and deduction under 80IA of Income Tax Act 1961. The valuation of the deferred income tax arising from local tax regulations is significant to our audit because of the related complexity of the valuation process which entails significant Management's judgment on assumptions that are affected by manner of realisation.

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

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

Other Information

The Trustee-Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Trustee-Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- 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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

24 February 2022

Consolidated Income Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Property Income			
Base rent		**146,251**	143,026
Amenities income		**1,475**	1,743
Fit–out rental income		**2,171**	2,604
Operations, maintenance and utilities income		**35,140**	37,628
Car park and other operating income		**7,689**	6,671
Total property income		**192,726**	191,672
Property Expenses			
Operations, maintenance and utilities expenses		**(17,545)**	(19,591)
Service and property taxes		**(3,714)**	(4,983)
Property management fees		**(8,245)**	(8,815)
Other property operating expenses	5	**(7,485)**	(10,362)
Total property expenses		**(36,989)**	(43,751)
Net Property Income		**155,737**	147,921
Trustee–Manager's fees		**(16,956)**	(15,984)
Other operating expenses		**(4,943)**	(7,283)
Finance costs	6	**(51,337)**	(44,265)
Interest income	4	**53,769**	51,752
Other income		**–**	198
Fair value gain on derivative financial instruments – realised		**5,307**	7,528
Exchange loss – realised		**(10,349)**	(18,906)
Profit Before Change in Fair Value of Investment Properties, and Unrealised Gain/(Loss) on Derivative Financial Instruments and Foreign Exchange		**131,228**	120,961
Fair value gain on derivative financial instruments – unrealised		**423**	7,848
Exchange gain/(loss) – unrealised		**4,061**	(1,143)
Fair value gain/(loss) on investment properties under construction	19	**34,374**	(6,462)
Fair value gain on investment properties	20	**98,006**	72,101
Profit Before Tax	7	**268,092**	193,305
Income tax expenses	8(a)	**(67,627)**	(50,479)
Net Profit After Tax		**200,465**	142,826
Attributable To:			
Unitholders of the Trust		**192,289**	130,716
Non-controlling interests		**8,176**	12,110
		200,465	142,826
Earnings per unit attributable to Unitholders of the Trust, expressed in cents per unit – basic and diluted	9	**16.69**	11.40

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

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group	
	2021	2020
	$'000	$'000
Net profit after tax	**200,465**	142,826
Other Comprehensive Income:		
Items that may be reclassified subsequently to profit or loss:		
– Cash flow hedges	**12,443**	(24,301)
– Translation differences arising from the conversion of functional currency into presentation currency	**5,077**	(65,856)
Other comprehensive income for the year	**17,520**	(90,157)
Total comprehensive income for the year	**217,985**	52,669
Total Comprehensive Income Attributable To:		
Unitholders of the Trust	**209,473**	44,804
Non-controlling interests	**8,512**	7,865
	217,985	52,669

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

Distribution Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Profit Before Change in Fair Value of Investment Properties, and Unrealised Gain/(Loss) on Derivative Financial Instruments and Foreign Exchange		**131,228**	120,961
Income tax expenses		**(35,650)**	(19,639)
Trustee-Manager's fees payable in units	10	**8,270**	7,794
Depreciation of equipment and right-of-use assets	18,25	**717**	436
Realised exchange loss	10	**1,899**	11,595
Non-controlling interests		**(6,466)**	(8,539)
Distribution Adjustments		**(31,230)**	(8,353)
Income Available for Distribution		**99,998**	112,608
10% retention		**(10,000)**	(11,261)
Income to be Distributed		**89,998**	101,347
Income Available for Distribution per unit (cents)		**8.66**	9.81
Income to be Distributed per unit (cents)		**7.80**	8.83

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

Balance Sheets

AS AT 31 DECEMBER 2021

	Note	Group		Trust	
		2021	2020	**2021**	2020
		$'000	$'000	**$'000**	$'000
ASSETS					
Current Assets					
Cash and cash equivalents	11	**167,887**	101,126	**2,769**	30,564
Inventories	12	**521**	454	**–**	–
Other assets	13	**1,880**	1,201	**12**	12
Loans to subsidiaries	14	**–**	–	**847,860**	652,028
Trade and other receivables	15	**58,134**	57,909	**1,648**	2,076
Derivative financial instruments	17	**17,953**	5,965	**17,953**	5,965
Current income tax recoverable	8(b)	**19,947**	15,038	**–**	–
		266,322	181,693	**870,242**	690,645
Non-current Assets					
Other assets	13	**34,423**	5,183	**–**	–
Trade and other receivables	15	**21,681**	9,957	**–**	–
Long term receivables	16	**344,696**	348,122	**–**	–
Derivative financial instruments	17	**9,204**	24,299	**9,204**	24,299
Equipment	18	**1,634**	949	**–**	–
Right-of-use assets	25	**2,809**	2,979	**–**	–
Investment properties under construction	19	**184,397**	109,113	**–**	–
Investment properties	20	**2,259,663**	1,955,332	**–**	–
Goodwill	21	**13,892**	13,839	**–**	–
Investment in a joint venture	22	**#**	#	**–**	–
Investment in subsidiaries	23	**–**	–	**606,168**	603,830
		2,872,399	2,469,773	**615,372**	628,129
Total assets		**3,138,721**	2,651,466	**1,485,614**	1,318,774
Current Liabilities					
Trade and other payables	24	**138,308**	108,084	**85,711**	64,475
Borrowings	26	**448,662**	119,210	**448,662**	119,210
Lease liabilities	25	**239**	180	**–**	–
Derivative financial instruments	17	**184**	52	**184**	52
Current income tax liabilities	8(b)	**2,486**	2,035	**494**	430
		589,879	229,561	**535,051**	184,167
Non-current Liabilities					
Trade and other payables	24	**59,006**	41,848	**–**	250
Borrowings	26	**634,176**	694,472	**634,176**	694,472
Lease liabilities	25	**3,112**	3,201	**–**	–
Derivative financial instruments	17	**3,911**	2,746	**3,911**	2,746
Deferred income tax liabilities	8(c)	**400,055**	356,241	**–**	–
		1,100,260	1,098,508	**638,087**	697,468
Total liabilities		**1,690,139**	1,328,069	**1,173,138**	881,635
NET ASSETS		**1,448,582**	1,323,397	**312,476**	437,139

\#   less than $1,000

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

Balance Sheets

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
UNITHOLDERS' FUNDS					
Units in issue	27	**993,400**	985,447	**993,400**	985,447
Foreign currency translation reserve	28(a)	**(511,250)**	(515,991)	**(311,569)**	(313,352)
Hedging reserve	28(b)	**(19,487)**	(31,930)	**(19,487)**	(31,930)
Other reserves	28(c)	**69,420**	68,296	**–**	–
Retained earnings	28(d)	**824,813**	730,324	**(349,868)**	(203,026)
Net assets attributable to Unitholders		**1,356,896**	1,236,146	**312,476**	437,139
Non-controlling interests		**91,686**	87,251	**–**	–
		1,448,582	1,323,397	**312,476**	437,139

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

Consolidated Statement of Changes in Unitholders' Funds

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to Unitholders of the Trust							
	Units in issue $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
2021								
Balance at beginning of financial year	**985,447**	**(515,991)**	**(31,930)**	**68,296**	**730,324**	**1,236,146**	**87,251**	**1,323,397**
Profit for the year	**–**	**–**	**–**	**–**	**192,289**	**192,289**	**8,176**	**200,465**
Other comprehensive income for the year	**–**	**4,741**	**12,443**	**–**	**–**	**17,184**	**336**	**17,520**
Transfer to other reserves	**–**	**–**	**–**	**1,124**	**(1,124)**	**–**	**–**	**–**
Issue of new units	**7,953**	**–**	**–**	**–**	**–**	**7,953**	**–**	**7,953**
Distribution to Unitholders (Note 10)	**–**	**–**	**–**	**–**	**(96,676)**	**(96,676)**	**–**	**(96,676)**
Distribution to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**(4,077)**	**(4,077)**
Balance at end of financial year	**993,400**	**(511,250)**	**(19,487)**	**69,420**	**824,813**	**1,356,896**	**91,686**	**1,448,582**
2020								
Balance at beginning of financial year	978,324	(454,380)	(7,629)	67,652	660,828	1,244,795	88,087	1,332,882
Profit for the year	–	–	–	–	130,716	130,716	12,110	142,826
Other comprehensive income for the year	–	(61,611)	(24,301)	–	–	(85,912)	(4,245)	(90,157)
Transfer to other reserves	–	–	–	644	(644)	–	–	–
Issue of new units	7,123	–	–	–	–	7,123	–	7,123
Distribution to Unitholders (Note 10)	–	–	–	–	(60,576)	(60,576)	–	(60,576)
Distribution to non-controlling interests	–	–	–	–	–	–	(8,701)	(8,701)
Balance at end of financial year	985,447	(515,991)	(31,930)	68,296	730,324	1,236,146	87,251	1,323,397

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Operating activities			
Net profit after tax		**200,465**	142,826
Adjustments for:			
Income tax expenses	8(a)	**67,627**	50,479
Interest income	4	**(53,769)**	(51,752)
Finance costs	6	**51,337**	44,265
Gain on disposal of investment security		**–**	(198)
Depreciation of equipment and right-of-use assets	18,25	**717**	436
Fair value gain on derivative financial instruments – unrealised		**(423)**	(7,848)
Fair value (gain)/loss on investment properties under construction	19	**(34,374)**	6,462
Fair value gain on investment properties	20	**(98,006)**	(72,101)
(Reversal)/allowance for impairment of trade receivables	5	**(421)**	2,275
Trustee-Manager's fees paid and payable in units	10	**8,270**	7,794
Exchange differences		**(2,162)**	12,738
Others		**5,983**	5,204
Operating cash flows before changes in working capital		**145,244**	140,580
Changes in working capital			
Inventories		**(65)**	7
Other assets		**(260)**	(49)
Trade and other receivables		**1,185**	(159)
Trade and other payables		**5,914**	3,623
Cash flows from operations		**152,018**	144,002
Interest received		**27,721**	28,412
Income tax paid (net)		**(32,156)**	(30,823)
Net cash flows from operating activities		**147,583**	141,591
Investing activities			
Purchase of equipment	18	**(1,234)**	(728)
Advance payment for acquisition of investment properties	13	**(29,254)**	–
Additions to investment properties under construction	19	**(13,002)**	(23,105)
Additions to investment properties	20	**(23,857)**	(13,132)
Net cash outflow from acquisition of subsidiaries	23	**(70,593)**	–
Payment towards deferred consideration of investment properties		**(4,629)**	(4,484)
Proceeds from disposal of investment securities		**–**	19,779
Receipt of long term receivables		**82,153**	–
Long term receivables	16	**(150,979)**	(46,087)
Net cash flows used in investing activities		**(211,395)**	(67,757)

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

	Note	Group 2021 S$'000	Group 2020 S$'000
Financing activities			
Repayment of borrowings	26	**(178,133)**	(228,700)
Distribution to Unitholders		**(96,676)**	(60,576)
Distribution paid to non-controlling interests		**(4,077)**	(8,701)
Interest paid	26	**(47,488)**	(46,105)
Proceeds from borrowings	26	**456,559**	295,508
Net cash flows from/(used in) financing activities		**130,185**	(48,574)
Net increase in cash and cash equivalents		**66,373**	25,260
Cash and cash equivalents at beginning of financial year		**101,126**	79,598
Effects of exchange rate changes on cash and cash equivalents		**388**	(3,732)
Cash and cash equivalents at end of financial year	11	**167,887**	101,126

Notes:

(A) Significant non-cash and other transactions

- 5,658,492 new Units amounting to $7,953,000 were issued at issue prices ranging from $1.3811 to $1.4688 per Unit for the payment of 50% performance fee and base fee to the Trustee-Manager in Units during the financial year ended 31 December 2021.

- 5,151,760 new Units amounting to $7,123,000 were issued at issue prices ranging from $1.1244 to $1.5265 per Unit for the payment of 50% performance fee and base fee to the Trustee-Manager in Units during the financial year ended 31 December 2020.

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

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

1. CORPORATE INFORMATION

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

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

The registered office of Ascendas Property Fund Trustee Pte. Ltd. is at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, the Group has adopted all the new and revised standards which are effective for financial periods beginning on 1 January 2021. The adoption of the above standards does not have any material impact on the financial position or financial results of the Group, except for the Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2, which the details had disclosed in Note 2.3. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37: *Onerous Contracts – Costs of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I) 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Management of the Trustee-Manager expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application, except for Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2 which disclosed as per below.

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Swap Offer Rate ("SOR"). These floating rate borrowings are hedged using interest rate swaps or cross currency swaps, which have been designated as cash flow hedges. SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has $315,000,000 variable-rate SGD borrowings which references to SOR, matures after 30 June 2023 and is expected to be impacted by the SOR to SORA transition. The Group hedges the variability in cash flows using SOR-linked interest rate swaps and/or SOR-linked cross-currency swaps with contract/notional amount totalling $284,000,000 maturing between Year 2023 to Year 2026. The Group's practice is for the critical terms of the interest rate swaps to align with the hedged borrowings. The Group's communication with its swap and debt counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. The Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised.

(a) Base rent, amenities income, fit-out rental income

Base rent, amenities income and fit-out rental income, net of incentives granted are recognised in profit or loss on a straight-line basis and over the term of the lease.

Base rent comprises rental income earned from the leasing of the owned built-up area of the properties.

Amenities income is rental revenue earned from the space utilised as amenities such as canteen and business centre.

Fit-out rental income is rental revenue earned from the fit-out provisions for the tenants at the properties. Fit-out rents typically arise from the additional costs related to tenant-specific fit-out requirements, which are in turn passed through to those tenants via fit-out provisions in their lease agreements.

(b) Operations, maintenance and utilities income

Operations, maintenance and utilities income is recognised when the services are rendered. Operations and maintenance income is revenue earned from the operation and maintenance of the properties.

(c) Car park and other income

Car park income includes revenue earned from the operations of the parking facilities, which is recognised when the services are rendered.

Other income includes miscellaneous income earned from the properties such as kiosks and advertising revenue, which is recognised when the services are rendered.

(d) Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries (including special purpose entities) as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to the like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses of a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

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

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

(ii) derecognises the carrying amount of any non-controlling interests;

(iii) derecognises the cumulative translation differences recorded in unitholders' funds;

(iv) recognises the fair value of the consideration received;

(v) recognises the fair value of any investment retained;

(vi) recognises any surplus or deficit in profit or loss;

(vii) reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation and business combinations (continued)

(b) Business combinations and goodwill (continued)

On an acquisition-by-acquisition basis, the Group may elect to recognise any non-controlling interests in the acquiree at the date of acquisition either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Please refer to Note 2.13 (a) for the accounting policy on goodwill impairment.

(c) Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to Unitholders of the Trust.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions. Any difference between the change in the carrying amounts of the non-controlling interests and fair value of the consideration paid or received is recognised directly in unitholders' funds and attributed to the Unitholders of the Trust.

2.6 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Trust is Indian Rupee ("INR"). The presentation currency is SGD as the financial statements are meant primarily for users in Singapore.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in unitholders' funds. The foreign currency translation reserve is reclassified from unitholders' funds to profit or loss of the Group on disposal of the foreign operation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date; and

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions).

2.7 Equipment

(a) Measurement

Equipment is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

(b) Depreciation

Depreciation on computers, furniture and equipment is calculated using the straight line method to allocate the depreciable amounts over the estimated useful lives as follows:

	Useful lives
Computers, furniture and equipment	3 to 10 years

The residual values, estimated useful lives and depreciation method of equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditure is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other property operating expenses".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investment properties under construction

All investment properties under construction where fair values are reliably determinable are measured at fair value. The difference between the fair value and the carrying amount is recognised in profit or loss. Investment properties under construction for which the fair value cannot be reliably measured at present, but for which the fair value would be reliably determinable in future is accounted for at cost.

2.9 Investment properties

Investment properties of the Group, principally comprising completed office buildings, interest in freehold land and leasehold land held for a currently undetermined future use, are held for long-term rental yields and capital appreciation.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, determined on an annual basis by an independent professional valuer on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss. Investment properties are not subject to depreciation.

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

On disposal of investment properties, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Trust's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Joint ventures and associates

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Joint ventures and associates (continued)

Joint ventures and associates

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

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.12 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets

(a) Goodwill

Goodwill, recognised separately as an intangible asset, is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the asset may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

In assessing the value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by capitalisation rates or other available fair value indicators.

The Group bases its impairment calculation on detailed rent-rolls and projections which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These rent rolls and projections are generally covering a period of 5 years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets (continued)

(c) Right-of-use assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised 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 depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less the estimated costs of completion and applicable variable selling expenses.

2.15 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only, when the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(a) *Financial assets (continued)*

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) *Fair value through other comprehensive income ("FVOCI")*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

<u>Derivatives</u>

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(i) Fair value hedge

The Group has entered into currency forwards that are fair value hedges for currency risk arising from its firm commitments for purchases and sales denominated in foreign currencies. The fair value changes on the hedged item resulting from currency risk are recognised in profit or loss. The fair value changes on the effective portion of currency forwards designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of currency forwards are recognised separately in profit or loss.

(ii) Cash flow hedge

Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges of the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of the interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

Currency swaps

The Group has entered into currency swaps that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency swaps are recognised immediately in profit or loss. When a forecasted transaction is no longer expecwted to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Financial liabilities at amortised cost

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

Derecognition

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

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial instruments (continued)

(d) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debts instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("12-month ECLs"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience.

2.16 Leases

As lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease lock-in period.

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

Contingent rents are recognised as income in profit or loss when earned.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and the right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, the lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased asset transfers to the Group, at the end of the lease term or the cost reflects the exercise of a purchase option, deprecation is calculated using the estimated useful life of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.13.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Leases (continued)

As lessee (continued)

(b) Lease liabilities

At the commencement date of the lease, the Group recognised lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment (including in-substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or lease payments or a change in the assessment of an option to purchase the underlying asset.

2.17 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in unitholders' funds. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

(i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and unused tax loss, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax loss can be utilised except:

(i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax items are recognised in correlation to the underlying transaction or event. The deferred tax effect will be:

(i) Recognised in the profit or loss, if the underlying transaction or event is recognised in profit or loss,

(ii) Recognised directly in unitholders' funds, if the underlying transaction or event is recognised in unitholders' funds, and

(iii) Recognised as an adjustment to goodwill (or negative goodwill) if the underlying transaction or event arises from a business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Taxes (continued)

(c) Sales tax

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

(i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of sales tax included.

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

2.18 Provisions

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance cost.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.20 Units on issue and unit issuance expenses

Proceeds from issuance of units are recognised as units on issue in unitholders' funds. Incremental costs directly attributable to the issuance of units are deducted against units on issue.

2.21 Distributions to Trust's Unitholders

Distributions to the Trust's Unitholders are recognised when the distributions are declared payable by the Trustee-Manager.

2.22 Transfer to other reserves

Other reserves represent profits statutorily transferred to capital redemption reserve, debenture redemption reserve and general reserve of the Indian subsidiaries under Indian regulatory provisions.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.24 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Trust if that person:

(i) has control or joint control over the Trust;

(ii) has significant influence over the Trust; or

(iii) is a member of the key management personnel of the Trustee-Manager or of a parent of the Trust.

(b) An entity is related to the Group and the Trust if any of the following conditions applies:

(i) the entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party;

(v) the entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of investment properties and investment properties under construction

The Group carries its investment properties and investment properties under construction at fair value, with changes in fair values being recognised in profit or loss.

The fair values of investment properties and investment properties under construction are determined by independent professional valuers using recognised valuation techniques. These techniques comprise of the income capitalisation method, the discounted cash flow method and the direct comparison method.

The determination of the fair values of the investment properties and investment properties under construction require the use of estimates such as future cash flows from assets, transacted price of comparable properties, discount rates and capitalisation rates applicable to those assets. These estimates are based on prevailing local market conditions.

The carrying amount and key assumptions used to determine the fair value of the investment properties and investment properties under construction are further explained in Note 31. The Trustee-Manager is of the view that the valuation techniques and estimates are reflective of the current market condition.

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded and contingent liabilities disclosed in the financial statements.

The Group assesses whether provisions or disclosure as contingent liabilities for tax matters, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. If provisions are required, the amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective entity's domicile.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) *Taxes (continued)*

Deferred tax assets are recognised for all unused tax loss and MAT credit to the extent that it is probable that taxable profit will be available against which the loss and MAT credit can be utilised. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

Deferred tax liabilities are recognised on fair value gains on investment properties. The determination of the appropriate tax rates to be applied on the fair value gains is based on Management's assumption to recover the carrying amounts of the investment properties through use (except for land) and as to when they are expected to avail themselves of the deduction under 80IA of Income Tax Act 1961.

(c) *Provision for expected credit losses of trade and other receivables*

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

As at 31 December 2021, the trade and other receivables of the Group and the Company amounted to $79,815,000 and $1,648,000 respectively (2020: $67,866,000 and $2,076,000 respectively).

4. INTEREST INCOME

	Group	
	2021	2020
	$'000	$'000
Interest income		
– Financial institutions	**3,849**	3,962
– Long term receivables	**48,795**	47,163
– Others	**1,125**	627
	53,769	51,752

5. OTHER PROPERTY OPERATING EXPENSES

	Group	
	2021	2020
	$'000	$'000
Advertising and publication	**222**	139
Depreciation of equipment and right-of-use assets	**717**	436
Employee benefits	**381**	392
Insurance	**529**	494
General management fee	**4,125**	4,399
Surcharges	**122**	748
Travel and hotel accomodation	**54**	87
Professional fees	**1,460**	1,188
(Reversal)/allowance for impairment of receivables	**(421)**	2,275
Other direct costs	**296**	204
	7,485	10,362

6. FINANCE COSTS

	Group	
	2021	2020
	$'000	$'000
Interest expenses		
– Financial institutions	**43,124**	32,314
– Medium term notes	**7,882**	11,588
– Lease liabilities (Note 25)	**322**	354
– Others	**9**	9
	51,337	44,265

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group	
	2021	2020
	$'000	$'000
Auditors of the Group:		
– Audit fees	**343**	370
– Non-audit fees	**230**	42
Inventories recognised as expenses in "Operations, maintenance and utilities expenses"	**95**	77

8. INCOME TAXES

(a) Income tax expenses

	Group	
	2021	2020
	$'000	$'000
Tax expenses attributable to profit is made up of:		
Current income tax expenses		
– Based on current year's results	**31,902**	19,571
– Under-provision in respect of prior years	**116**	68
	32,018	19,639
Deferred income tax expenses		
– Based on current year's results	**35,609**	30,886
– Over-provision in respect of prior years	**–**	(46)
	35,609	30,840
	67,627	50,479

The reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	2020
	$'000	$'000
Profit before tax	**268,092**	193,305
Tax calculated at tax rate of 34.94% (2020: 34.94%)	**93,671**	67,541
Effects of:		
– Income not subject to tax	**(35,550)**	(27,598)
– Expenses not deductible for tax purpose	**25,008**	24,515
– Tax incentives	**(7,620)**	(11,410)
– Fair value gains on investment properties subject to lower tax rate	**(17,698)**	(2,694)
– Dividend distribution and withholding tax	**10,917**	(776)
– Under provision in respect of prior years	**116**	22
– Others	**(1,217)**	879
	67,627	50,479

8. INCOME TAXES (continued)

(a) *Income tax expenses (continued)*

The corporate tax rate applicable in India was 34.94%. For domestic companies with turnover less than INR 4,000 million, the corporate tax rate will be 29.12%.

Tax incentives comprise tax holiday benefits available for Indian entities where investment properties are located in the notified industrial park and/or special economic zones.

Withholding taxes are payable by the subsidiaries in India on dividend and interest payments made to the intermediate holding companies in Singapore.

Minimum Alternate Tax ("MAT")

Under the Indian income tax law, MAT will be payable only where tax liability, as computed, is less than 15.00% of the book profits in the profit or loss account and after making certain specified adjustments. Set-off of MAT credit is allowed in a particular year on the difference between the tax liability under normal provisions and tax liability under MAT provisions for such years. MAT credit is allowed to carry forward for a period of 15 years.

(b) *Movements in current income tax recoverable and liabilities*

	Group		Trust	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current income tax recoverable	**19,947**	15,038	**–**	–
Current income tax liabilities	**(2,486)**	(2,035)	**(494)**	(430)
Current income tax recoverable, net	**17,461**	13,003	**(494)**	(430)

Movements in current income tax recoverable, net

	Group	
	2021	2020
	$'000	$'000
Balance at beginning of financial year	**13,003**	3,259
Tax charge for the year	**(31,902)**	(19,571)
Under provision in respect of prior years	**(116)**	(68)
Tax paid during the year	**39,371**	19,759
Tax deducted at source (net)	**(7,215)**	11,064
Translation differences	**4,320**	(1,440)
Balance at end of financial year	**17,461**	13,003

8. INCOME TAXES (continued)

(c) *Deferred income tax liabilities and assets*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group	
	2021	2020
	$'000	$'000
Deferred income tax assets:		
– To be settled after one year	**(29,310)**	(31,951)
Deferred income tax liabilities:		
– To be settled after one year	**429,365**	388,192
Deferred income tax liabilities – net	**400,055**	356,241
The above comprises the following:		
– Fair value gains on investment properties	**429,365**	388,192
– Minimum alternate tax credit	**(29,310)**	(31,951)
	400,055	356,241

The movements in the deferred income tax assets and liabilities are as follows:

	Fair value gains on investment properties $'000	Minimum alternate tax credit $'000	Total $'000
Group			
2021			
Balance at beginning of financial year	**388,192**	**(31,951)**	**356,241**
Tax charged to income statement	**32,843**	**2,766**	**35,609**
Translation differences	**8,330**	**(125)**	**8,205**
Balance at end of financial year	**429,365**	**(29,310)**	**400,055**
2020			
Balance at beginning of financial year	378,808	(36,951)	341,857
Tax charged to income statement	27,462	3,378	30,840
Translation differences	(18,078)	1,622	(16,456)
Balance at end of financial year	388,192	(31,951)	356,241

Deferred income tax assets are recognised for MAT credit available and tax loss carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

8. INCOME TAXES (continued)

(d) Dividend distribution tax on undistributed earnings

During the last financial year, there was an amendment to India domestic tax laws for which the dividend distribution tax ("DDT") of 20.56% on dividends applicable to domestic companies was abolished. Going forward, all the domestic companies will pay 10% withholding tax on the dividend distribution.

At the reporting date, the Group has recorded a deferred tax liability in relation to withholding tax which amounting to INR200 million (equivalent to $3,630,000) (2020: Nil) on planned dividend distribution in the next financial year. As at 31 December 2021, the Group had potential witholding tax liability amounting to $19,985,000 (2020: $24,547,000) associated with undistributed earnings of subsidiaries. Except on the above-disclosed, there is no deferred tax liabilities being recognised in respect of these differences because the Group is in a position to control the dividend policies of these subsidiaries and provision is made only when there is a plan for dividend distribution.

9. EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	2021	2020
Total profit attributable to Unitholders ($'000)	**192,289**	130,716
Weighted average number of units outstanding during the year ('000)	**1,152,118**	1,146,472
Earnings per unit (cents)	**16.69**	11.40

Diluted earnings per unit are the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

10. DISTRIBUTION TO UNITHOLDERS

	Group and Trust 2021 $'000	2020 $'000
Distribution paid:		
Exempt distribution of 0.64 cents per unit paid on 27 February 2020	–	7,331
Exempt distribution of 4.64 cents per unit paid on 26 August 2020	–	53,245
Exempt distribution of 4.19 cents per unit paid on 25 February 2021	**48,244**	–
Exempt distribution of 4.20 cents per unit paid on 25 August 2021	**48,432**	–
	96,676	60,576

A tax-exempt distribution of 3.60 cents per unit amounting to $41,662,000 was approved on 26 January 2022 by the Board of Directors of the Trustee-Manager. These financial statements do not reflect this distribution, which will be accounted for in unitholders' funds as an appropriation of retained earnings in the financial year ending 31 December 2022.

Distribution adjustments

The Trustee-Manager had elected to receive 50% of its base fee and performance fee in units and 50% in cash. The 50% fees payable in units does not affect cash flow and has been added back to the income available for distribution. Trustee-Manager's fees payable in units amounted to $8,270,000 (2020: $7,794,000) during the financial year.

During the financial year, net realised exchange loss of $1,899,000 (2020: $11,595,000) arose from the refinancing of SGD-denominated loans.

Exchange gain or loss is recognised when borrowings that are denominated in currencies other than the INR are revalued. The exchange gain or loss is realised when the borrowing matures. Such exchange gain or loss does not affect cash flow and has been deducted from or added to the income available for distribution.

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash at bank and on hand	**55,309**	62,388	**2,769**	30,564
Fixed deposits	**112,578**	38,738	–	–
	167,887	101,126	**2,769**	30,564

The exposure of cash and cash equivalents to interest rate risk and currency risk is disclosed in Note 30.

Fixed deposits at the balance sheet date had an average maturity of 6 months (2020: 6 months). Fixed deposits with maturities in excess of 3 months, upon early-termination, will earn interest at the stipulated rate up to the actual period of deposit, and are subject to an insignificant risk of change in value.

As at 31 December 2021, certain companies of the Group had cash and deposit balances denominated in INR amounting to approximately $164,488,000 (2020: $65,899,000) which are deposited with financial institutions in India. Cash and deposit balances which are denominated in INR, a controlled currency, are not freely convertible into foreign currencies.

12. INVENTORIES

	Group	
	2021	2020
	$'000	$'000
Operational supplies	**521**	454

13. OTHER ASSETS

	Group		Trust	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**108**	108	**–**	–
Prepayments	**1,772**	1,093	**12**	12
	1,880	1,201	**12**	12
Non-current				
Advance payment for acquisition of investment property	**29,158**	–	**–**	–
Deposits	**5,080**	4,913	**–**	–
Prepayments	**185**	270	**–**	–
	34,423	5,183	**–**	–

The carrying amounts of deposits, denominated in INR, approximate their fair values.

14. LOANS TO SUBSIDIARIES

	Trust	
	2021	2020
	$'000	$'000
Loans to subsidiaries		
– Non-interest bearing	**544,919**	281,105
– Interest bearing	**302,941**	370,923
	847,860	652,028

As at 31 December 2021, the loans to subsidiaries are unsecured, repayable on demand and approximate their fair values. The interest bearing loans carry interest rates ranging from 2.58% to 9.15% (2020: 2.58% to 9.15%) per annum.

15. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current				
Trade receivables	**9,015**	10,271	**–**	–
Less: Allowance for impairment of trade receivables	**(2,531)**	(4,325)	**–**	–
Trade receivables – net	**6,484**	5,946	**–**	–
Amounts owing from subsidiary	**–**	–	**–**	54
Non-related parties				
– Advances to suppliers	**4,652**	1,286	**–**	–
– Interest receivable	**41,646**	41,438	**–**	–
– Service input tax recoverable	**4,957**	9,200	**–**	–
– Others	**395**	39	**1,648**	2,022
	58,134	57,909	**1,648**	2,076
Non-Current				
Non-related parties				
– Advances to suppliers	**355**	418	**–**	–
– Interest receivable	**21,326**	9,539	**–**	–
	21,681	9,957	**–**	–

Amounts owing from subsidiary are unsecured, interest-free and repayable on demand.

The carrying amounts of trade and other receivables approximate their fair values.

The exposure of trade and other receivables to currency risk is disclosed in Note 30.

As disclosed in Note 5, write-back on impairment of receivables of $421,000 (2020: allowance for impairment of receivables of $2,275,000) was included in "Other property operating expenses".

16. LONG TERM RECEIVABLES

	Group	
	2021 $'000	2020 $'000
Balance at beginning of financial year	**348,122**	318,193
Additions	**150,979**	46,087
Repayment	**(82,153)**	–
Derecogition upon acquistion of subsidiaries	**(73,521)**	–
Translation differences	**1,269**	(16,158)
Balance at end of financial year	**344,696**	348,122

Long term receivables pertain to inter-corporate deposit ("ICD") provided to non-related parties and subscription of non-convertible debentures ("NCDs") and Rupee Denominated Bonds ("RDBs") issued by non-related parties.

During the financial year, the Group subscribed to NCDs with coupon rates of 11.0% per annum issued by a non-related party. The NCDs has a tenure of 30 years and is issued to fund the development of an industrial facility at Chennai. The subscription to the NCDs is a multi-stage process to eventually acquire the properties when certain conditions are met.

During the financial year, the Group subscribed to NCDs and ICD with coupon rate of 11.5% and 12.0% per annum respectively issued by a non-related party to fund the construction of two IT buildings at Bangalore. Both the NCDs and ICD are secured by a charge on the land and buildings; and are backed by a corporate guarantee for interest and principal repayment. The funding through the NCDs is a multi-stage process to eventually acquire the buildings when certain conditions are met, through the acquisition of the issued and paid-up capital of non-related parties.

The Group also continued to subscribe NCDs to fund the construction of a Free Trade Warehousing Zone ("FTWZ") warehouse at Panvel, an IT building at Pune and a building in aVance Hyderabad.

During the financial year ended 31 December 2020, the Group had subscribed to RDB with coupon rates of 11.5% per annum which was issued to fund the construction of an IT building at Pune; and NCDs with coupon rate of 14.0% and 11.25% per annum respectively to fund the construction of a FTWZ warehouse at Panvel and a IT building at Navi Mumbai.

For certain long-term receivables provided to the non-related parties, the Group is able to appoint its representations in the Board of Directors.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Group and Trust					
	2021			2020		
	Contract/ notional amount	Fair values		Contract/ notional amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Current						
Cash flow hedges						
– Interest rate swaps	**19,000**	**–**	**(37)**	–	–	–
– Currency swaps	**203,000**	**17,953**	**–**	51,520	5,965	–
Non-hedging instruments						
– Currency forwards	**12,000**	**–**	**(147)**	15,000	–	(52)
		17,953	**(184)**		5,965	(52)
Non-current						
Cash flow hedges						
– Interest rate swaps	**158,000**	**2,192**	**–**	147,000	–	(1,190)
– Currency swaps	**333,128**	**4,190**	**(3,911)**	407,328	23,876	(836)
– Options	**100,000**	**2,822**	**–**	100,000	423	(720)
		9,204	**(3,911)**		24,299	(2,746)
Total		**27,157**	**(4,095)**		30,264	(2,798)

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the Singapore Swap Offer Rate ("SOR"). These floating rate borrowings are hedged using interest rate swaps or cross currency swaps, which have been designated as cash flow hedges.

SOR will cease publication after 30 June 2023, and it is expected to be replaced by the Singapore Overnight Rate Average ("SORA"). The Group has $315,000,000 variable-rate SGD borrowings which references to SOR, matures after 30 June 2023 and is expected to be impacted by the SOR to SORA transition. The Group hedges the variability in cash flows using SOR-linked interest rate swaps and/or SOR-linked cross-currency swaps with contract/notional amount totalling $284,000,000 maturing between 2023 to 2026. The Group's policy is for the critical terms of the interest rate swaps to align with the hedged borrowings. The Group's communication with its swap and debt counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. The Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to SOR risk. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial years.

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

No cash flow hedges of expected transactions were assessed to be ineffective under SFRS(I) 9 and recognised in the profit or loss for the Group and the Trust for the financial year ended 31 December 2021 and 2020.

The Group held interest rate swaps to exchange floating-rate interest, on SGD loans of $215,000,000 (2020: $189,819,980), into fixed-rate interest at an average rate of 1.95% (2020: 2.18%) per annum.

The Group entered into currency swaps to exchange floating-rate loans and medium term notes consisting of:

(a) SGD loans of $577,000,000 (2020: $391,895,000) for INR obligations at average fixed-rate of 7.11% (2020: 7.31%) per annum

(b) HKD loans of $50,895,000 (2020: $50,895,000) for INR obligations at average fixed rate of 7.59% (2020: 7.59%) per annum

(c) JPY Medium term notes of $67,573,163 (2020: $118,206,075) for fixed-rate INR obligation at average fixed-rate of 7.63% (2020: 7.54%) per annum

(d) JPY Medium term notes of $42,819,980 (2020: $42,819,980) for fixed-rate SGD obligation at average fixed-rate of 0.67% (2020: 0.67%) per annum

The rationale for entering into currency forwards is disclosed in Note 30(a)(i).

Period when cash flows on cash flow hedges are expected to occur or affect profit or loss

Currency and interest rate swaps are entered to hedge currency and interest rate fluctuations. Fair value gains and losses on the currency and interest rate swaps recognised in the hedging reserve are transferred to profit or loss as realised fair value gain or loss on derivative financial instruments upon maturity. Net interest paid on the currency and interest rate swaps is taken to profit or loss as part of interest expenses over the period of borrowings.

18. EQUIPMENT

	Group Computers, furniture and equipment 2021 $'000	 2020 $'000
Cost		
Balance at beginning of financial year	**4,645**	4,541
Additions	**1,234**	728
Disposals/write-offs/transfer	**(590)**	(401)
Translation differences	**17**	(223)
Balance at end of financial year	**5,306**	4,645
Accumulated depreciation		
Balance at beginning of financial year	**3,696**	4,032
Depreciation charge	**552**	256
Disposals/write-offs/transfer	**(590)**	(408)
Translation differences	**14**	(184)
Balance at end of financial year	**3,672**	3,696
Net book value		
Balance at end of financial year	**1,634**	949
Balance at beginning of financial year	**949**	509

19. INVESTMENT PROPERTIES UNDER CONSTRUCTION

	Group	
	2021	2020
	$'000	$'000
Balance at beginning of financial year	**109,113**	174,795
Additions during the year	**16,490**	25,998
Acquisition of subsidiary (Note 23)	**24,160**	–
Transfer to investment properties (Note 20)	**–**	(78,974)
Fair value gain/(loss)	**34,374**	(6,462)
Translation differences	**260**	(6,244)
Balance at end of financial year	**184,397**	109,113

Investment properties under construction are stated at fair value, which has been determined based on valuations performed by CBRE South Asia Pvt. Ltd as at 31 December 2021. The details of the valuation techniques and inputs used are disclosed in Note 31.

The outbreak of the COVID-19 has impacted market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of investment properties are currently subject to material estimation uncertainty. The carrying amounts of the investment properties under construction were current as at 31 December 2021 only. Values may change more rapidly and significantly than during standard market conditions.

During the financial year ended 31 December 2020, $78,974,000 was transferred to "Investment properties" on completion of Anchor Annex building, a single-tenanted building in Information Technology Park Limited ("ITPL").

Included in additions of investment properties under construction, $6,405,000 (2020: $2,893,000) was construction cost payable (Note 24).

20. INVESTMENT PROPERTIES

	Group	
	2021	2020
	$'000	$'000
Balance at beginning of financial year	**1,955,332**	1,885,171
Additions during the year	**23,857**	13,132
Acquisition of subsidiary (Note 23)	**164,269**	–
Cost adjustment arising from change in deferred consideration	**4,629**	4,484
Amortisation of marketing fee	**2,378**	(1,310)
Straightlining of rent free period	**3,137**	(3,458)
Transfer from investment properties under construction (Note 19)	**–**	78,974
Fair value gain	**98,006**	72,101
Translation differences	**8,055**	(93,762)
Balance at end of financial year	**2,259,663**	1,955,332

It is the intention of the Trustee-Manager to hold the investment properties for the long term.

Investment properties are stated at fair value, which has been determined based on valuations performed by CBRE South Asia Pvt. Ltd as at 31 December 2021. The details of the valuation techniques and inputs used are disclosed in Note 31.

The outbreak of the COVID-19 has impacted market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of investment properties are currently subject to material estimation uncertainty. The carrying amounts of the investment properties were current as at 31 December 2021 only. Values may change more rapidly and significantly than during standard market conditions.

21. GOODWILL

	Group	
	2021	2020
	$'000	$'000
Balance at beginning of financial year	**13,839**	14,520
Translation differences	**53**	(681)
Balance at end of financial year	**13,892**	13,839

Impairment test for goodwill

Goodwill has been allocated to cash-generating unit ("CGU"). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The carrying values of goodwill remain unchanged except for translation differences. The goodwill arose from the acquisition of Ascendas IT Park (Chennai) Limited and Cyber Pearl Information Technology Park Private Limited amounting to $12,250,000 (2020: $12,203,000) and $1,642,000 (2020: $1,636,000) respectively.

Goodwill balances result from the requirement on acquisition to recognise a deferred tax liability, calculated as the difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. For the purpose of testing this goodwill for impairment, the related deferred tax liabilities recognised on acquisition that remain at balance sheet date are treated as part of the relevant CGU.

22. INVESTMENT IN A JOINT VENTURE

The Group, through its wholly-owned subsidiary, Ascendas Property Fund (India) Pte. Ltd., has 50% interest in the ownership and voting rights in a joint venture, Minerva Veritas Capital Partners Pte. Ltd., a private limited company which incorporated in Singapore in financial year ended 2020. The Company remains dormant as at 31 December 2021 and had no contingent liabilities or commitments.

23. INVESTMENT IN SUBSIDIARIES

The details of the Trust's subsidiaries are as follows:

Subsidiaries	Principal activities	Country of incorporation/ place of business	Class of shares	Percentage of equity held by the Trust 2021 %	Percentage of equity held by the Trust 2020 %	Trust Cost of investment 2021 $'000	Trust Cost of investment 2020 $'000
Direct subsidiaries							
Ascendas Property Fund (India) Pte. Ltd.*	Investment vehicle of listed trust	Singapore	Ordinary	**100**	100	**586,877**	584,614
Ascendas Property Fund (FDI) Pte. Ltd.*	Investment vehicle of listed trust	Singapore	Ordinary	**100**	100	**19,291**	19,216
						606,168	603,830
Indirect subsidiaries							
VITP Private Limited@	Development, owning and management of information technology parks in Hyderabad and special economic zones in Pune	India	Ordinary	**100**	100		
Information Technology Park Limited@	Development, owning and management of information technology parks in Bangalore	India	Ordinary	**92.8**	92.8		
Cyber Pearl Information Technology Park Private Limited@	Development, owning and management of information technology parks in Hyderabad and Chennai	India	Ordinary	**100**	100		
Ascendas IT Park (Chennai) Limited@	Development, owning and management of information technology parks in Chennai	India	Ordinary	**89**	89		
Hyderabad Infratech Pvt Ltd@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Avance-Atlas Infratech Private Limited@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Deccan Real Ventures Private Limited@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	100		
Avance Technohub Private Limited (Formerly known as Phoenix IT Infrastructure India Private Limited)@	Development, owning and management of information technology parks in special economic zones in Hyderabad	India	Ordinary	**100**	–		
Loma Co-Developers 1 Private Limited^	Development, owning and management of IT building in special economic zone in Navi Mumbai	India	Ordinary	**100**	–		
Datascape Realty Private Limited^	Development, owning and management of data centre in Navi Mumbai	India	Ordinary	**100**	–		
Ascendas Panvel FTWZ Private Limited@	Setting up, developing, obtaining rail siding infrastructure and network for operation and movement of container, cargo and freight trains in Mumbai	India	Ordinary	**100**	100		
Ascendas Give Foundation&	Promoting charity, education and art forming part of corporate social responsibility obligations of member companies	India	Ordinary	**80**	80		
Trendspace IT Park Private Limited**	Investment holding	India	Ordinary	**100**	–		

* Audited by Ernst & Young LLP, Singapore.
@ Audited by member firm of EY Global in India.
^ Audited by Deloitte Haskins & Sells LLP.
& Audited by Vishnu Daya & Co LLP.
** Dormant as at 31 December 2021.

23. INVESTMENT IN SUBSIDIARIES (continued)

Acquisition of subsidiaries

The Group had originally planned to acquire both aVance 5 and 6 buildings concurrently via a single transaction. However, due to the delays in construction completion of aVance 5, the vendor had demerged aVance 6 to Phoenix IT Infrastructure India Private Limited ("PITIIPL") to facilitate the acquisition of aVance 6 separately.

In March 2021, the Group's subsidiary, APFI had acquired 95% of shareholdings in PITIIPL and the remaining shareholding of 5% will be transferred to APFI upon the completion of aVance 5 acquisition and the settlement of the deferred consideration.

The total consideration of INR 5,353 million (equivalent to $97,487,000), included a cash consideration of INR 1,653 million (equivalent to $30,123,000), settlement of long term receivables and accrued interest amounting to INR 2,093 million (equivalent to $38,110,000), and a remaining consideration of INR 1,607 million (equivalent to $29,254,000).

Post-acquisition of PITIIPL, APFI is exposed, and has rights, to the full variable returns from PITIIPL's operations. The vendor is not entitled to a share of the returns of PITIIPL's operations after being acquired by APFI. Accordingly, the Group holds rights, obligation and the power on the 100% equity interest in PITIIPL, and therefore consolidates 100% of equity interests in PITIIPL in its financial statements.

In October 2021, APFI had acquired 100% equity interest in Datascape Realty Private Limited ("DRSPL") for a cash consideration of INR 1,324 million (equivalent to $24,160,000).

In November 2021, APFI acquired 100% equity interest in Loma Co-Developers I Private Limited ("LOMA1") for an upfront cash consideration of INR 3,603 million (equivalent to $65,615,000) and contingent deferred consideration of INR 35 million (equivalent to $630,000).

The acquisition of PITIIPL and LOMA1 augments the Trust's presence in Hyderabad and Navi Mumbai, while acquisition of DSRPL helps to diversify the Trust's portfolio into India's data centre sector.

23. INVESTMENT IN SUBSIDIARIES (continued)

Acquisition of subsidiaries (continued)

The costs of the identifiable assets and liabilities of PITIIPL, DSRPL and LOMA1 as at the acquisition date were:

	Group Cost recognised on acquisition 2021 $'000
Investment properties (Note 20)	**164,269**
Investment properties under construction (Note 19)	**24,160**
Other assets	**473**
Trade and other receivables	**6,863**
Cash and cash equivalents	**3,220**
	198,985
Trade and other payables	**(12,092)**
Total identifiable net assets	**186,893**
Transaction costs capitalised	**4,434**
	191,327
Consideration transferred for acquisition	
Purchases consideration	**186,893**
Transaction costs	**4,434**
Total consideration	**191,327**
Less: Cash and cash equivalent acquired	**(3,220)**
Settlement of long term receivables & accrued interest	**(87,629)**
Deferred consideration	**(29,885)**
Net cash outflow from acquisition of subsidiaries	**70,593**

24. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Amount owing to subsidiary	**–**	–	**58,251**	43,318
Other payables				
– Non-related parties				
– Interest payable	**11,747**	7,827	**11,747**	7,827
– Construction cost payable	**6,405**	2,893	**–**	–
– Retention sum payable	**3,238**	2,562	**–**	–
– Advances	**3,955**	3,584	**–**	–
– Companies controlled by a Unitholder that has significant influence over the Group	**11,807**	10,246	**8,842**	8,124
Accruals	**17,925**	17,905	**990**	560
Deferred consideration	**29,796**	–	**–**	–
Rental deposits	**38,945**	56,260	**–**	–
Others	**14,490**	6,807	**5,881**	4,646
	138,308	108,084	**85,711**	64,475
Non-current				
Rental deposits	**58,772**	41,357	**–**	–
Accruals	**24**	275	**–**	250
Others	**210**	216	**–**	–
	59,006	41,848	**–**	250
	197,314	149,932	**85,711**	64,725

Amount owing to subsidiary is unsecured, interest free and repayable on demand.

The amounts owing to companies controlled by a Unitholder that has significant influence over the Group are unsecured, interest-free and repayable on demand. The amounts pertain mainly to fees payable to the Trustee-Manager and Property Manager, and are trade in nature.

The carrying amounts of trade and other payables approximate their fair values.

The exposure of trade and other payables to currency risk is disclosed in Note 30.

25. RIGHT-OF-USE ASSETS LEASE LIABILITIES

	Group	
	2021	2020
	$'000	$'000
Cost		
Balance at beginning of financial year	**3,384**	2,607
Additions	**–**	718
Translation differences	**(4)**	59
Balance at end of financial year	**3,380**	3,384
Accumulated depreciation		
Balance at beginning of financial year	**405**	242
Depreciation charge	**165**	180
Translation differences	**1**	(17)
Balance at end of financial year	**571**	405
Net book value		
Balance at end of financial year	**2,809**	2,979
Balance at beginning of financial year	**2,979**	2,365
Short-term lease liabilities		
Machinery	**239**	180
Long-term lease liabilities		
Machinery	**3,112**	3,201

The Group has lease liabilities for machinery in India. The leases for the machinery as at 31 December 2021 will mature between Year 2038 to 2048. The discount rate applied in the calculation of lease liabilities is 10% to 13.65% per annum. The lease agreements do not impose any covenants.

Leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

26. BORROWINGS

	Group and Trust 2021 $'000	Group and Trust 2020 $'000
Current		
Unsecured bank loans	**448,900**	67,700
Less: Unamortised transaction costs	**(238)**	–
	448,662	67,700
Unsecured medium term notes	**–**	51,520
Less: Unamortised transaction costs	**–**	(10)
	–	51,510
Total current borrowings	**448,662**	119,210
Non-current		
Unsecured bank loans	**529,388**	580,408
Less: Unamortised transaction costs	**(1,907)**	(1,784)
	527,481	578,624
Unsecured medium term notes	**106,740**	115,920
Less: Unamortised transaction costs	**(45)**	(72)
	106,695	115,848
Total non-current borrowings	**634,176**	694,472
Total borrowings	**1,082,838**	813,682

Debt repayment schedule

	Group and Trust		
	Total $'000	Within 1 year $'000	After 1 year but within 5 years $'000
2021			
Unsecured bank loans			
– Variable rate SGD term loans	**925,853**	**448,662**	**477,191**
– Variable rate HKD term loans	**50,290**	**–**	**50,290**
Unsecured medium term notes			
– 5 year JPY notes	**106,695**	**–**	**106,695**
Total	**1,082,838**	**448,662**	**634,176**
2020			
Unsecured bank loans			
– Variable rate SGD term loans	596,044	67,700	528,344
– Variable rate HKD term loans	50,280	–	50,280
Unsecured medium term notes			
– 5 year JPY notes	167,358	51,510	115,848
Total	813,682	119,210	694,472

26. BORROWINGS (continued)

Interest rate

The weighted average effective interest rates of total borrowings at the balance sheet date were as follows:

	Group and Trust 2021	Group and Trust 2020
Unsecured bank loans		
– SGD	**1.51%**	2.06%
– HKD	**1.36%**	1.46%
Unsecured medium term notes		
– 5 year JPY notes	**0.66%**	0.69%

Reconciliation of liabilities arising from financing activities

	Liabilities		Derivatives (assets)/liabilities held to hedge borrowings		
	Borrowings $'000	Interest payable $'000	Cross currency swap, interest rate swap and Options used for hedging-assets $'000	Cross currency swap, interest rate swap and Options used for hedging-liabilities $'000	Total $'000
2021					
Balance at beginning of year	**813,682**	**7,827**	**(30,264)**	**2,798**	**794,043**
Changes from financing cash flows					
Proceeds from borrowings	**456,559**	**–**	**–**	**–**	**456,559**
Repayment of borrowings	**(178,133)**	**–**	**–**	**–**	**(178,133)**
Finance costs paid	**–**	**(47,488)**	**–**	**–**	**(47,488)**
Total changes from financing cash flows	**278,426**	**(47,488)**	**–**	**–**	**230,938**
Change in fair value	**–**	**–**	**3,105**	**1,297**	**4,402**
Other changes					
Amortisation of transaction costs	**820**	**–**	**–**	**–**	**820**
Interest expense	**–**	**50,517**	**–**	**–**	**50,517**
Translation differences	**(10,090)**	**891**	**2**	**–**	**(9,197)**
Total liability-related other changes	**(9,270)**	**51,408**	**2**	**–**	**42,140**
Balance at end of year	**1,082,838**	**11,747**	**(27,157)**	**4,095**	**1,071,523**
2020					
Balance at beginning of year	741,391	8,830	(26,019)	3,485	727,687
Changes from financing cash flows					
Proceeds from borrowings	295,508	–	–	–	295,508
Repayment of borrowings	(228,700)	–	–	–	(228,700)
Finance costs paid	–	(46,105)	–	–	(46,105)
Total changes from financing cash flows	66,808	(46,105)	–	–	20,703
Change in fair value	–	–	(4,276)	(687)	(4,963)
Other changes					
Amortisation of transaction costs	888	–	–	–	888
Interest expense	–	43,377	–	–	43,377
Translation differences	4,595	1,725	31	–	6,351
Total liability-related other changes	5,483	45,102	31	–	50,616
Balance at end of year	813,682	7,827	(30,264)	2,798	794,043

26. BORROWINGS (continued)

Medium term notes

In March 2009, the Trust established a $500,000,000 Multicurrency Medium Term Note ("MTN") Programme. Under the MTN Programme, the Trust may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in one or more tranches, on the same or different issue dates, in SGD or any other currency.

Each tranche of notes may be issued in various amounts and tenors, and may bear fixed, floating, or variable rates of interest. Hybrid notes, zero coupon notes or perpetual securities may also be issued under the MTN Programme.

The notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Trust ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Trust.

The Trust has increased the maximum aggregate principal amount of notes and perpetual securities that may be issued under the Multicurrency Debt Programme from $500,000,000 to $1,500,000,000 with effect from 16 April 2019.

As at 31 December 2021, the maximum aggregate principal amount of the notes outstanding at any time shall be $1,500,000,000, or such higher amount as may be determined pursuant to the MTN Programme.

The total notes issued by the Trust as at 31 December 2021, which still remains outstanding, is $107,000,000 (2020: $167,000,000), consisting of:

(a) JPY5,000,000,000 MTN 8, which bears a fixed interest rate of 0.67375% per annum, payable semi-annually in arrears and matures on 10 April 2023.

(b) JPY4,000,000,000 MTN 9, which bears a fixed interest rate of 0.64375% per annum, payable semi-annually in arrears and matures on 18 December 2023.

27. UNITS IN ISSUE

	Group and Trust			
	2021		2020	
	Number of units (in thousands)	**$'000**	Number of units (in thousands)	$'000
Balance at beginning of financial year	**1,148,420**	**985,447**	1,143,269	978,324
Issue of new units				
– Fee paid in units	**5,659**	**7,953**	5,151	7,123
Balance at end of financial year	**1,154,079**	**993,400**	1,148,420	985,447

The holders of units are entitled to receive distribution as and when declared by the Trust. At any time, all the units in a class are of equal value and shall have equal rights and obligations.

All issued units are fully paid.

28. RESERVES

(a) Foreign currency translation reserve

	Trust 2021 $'000	Trust 2020 $'000
Balance at beginning of financial year	**(313,352)**	(288,452)
Translation differences arising from the conversion of functional currency into presentation currency	**1,783**	(24,900)
Balance at end of financial year	**(311,569)**	(313,352)

(b) Hedging reserve

Hedging reserve represents the effective portion of cash flow hedge relationship existing as at the reporting date.

(c) Other reserves

Other reserves represent profits transferred to the statutory reserves of the Indian subsidiaries under Indian regulatory provisions.

(d) Retained earnings

	Trust 2021 $'000	Trust 2020 $'000
Balance at beginning of financial year	**(203,026)**	(91,822)
Loss for the year	**(50,166)**	(50,628)
Distribution to Unitholders (Note 10)	**(96,676)**	(60,576)
Balance at end of financial year	**(349,868)**	(203,026)

29. RELATED PARTY TRANSACTIONS

The Group has entered into several service agreements in relation to the Management of the Trust and its property operations. These agreements are entered into with the Trustee-Manager and Ascendas Services (India) Pte. Ltd. (the "Property Manager"), which are companies that are controlled by a Unitholder that has significant influence over the Group. The fee structures of these services are as follows:

(a) Trustee-Manager's fees

(i) Management fees

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

– a Base Fee at the rate of 0.5% per annum of the value of the properties held by the Trust.

– a Performance Fee at the rate of 4% per annum of the net property income of the Trust.

29. RELATED PARTY TRANSACTIONS (continued)

(a) Trustee-Manager's fees (continued)

(ii) Postponement, reduction of fees

The Trustee-Manager may postpone the receipt of any fee (or any part of a fee) or charge a lower fee than it is entitled to receive under the Trust Deed.

(iii) Trustee fees

The Trustee-Manager is entitled to receive a trustee fee of up to 0.02% per annum of the value of the properties held by the Trust.

(iv) Acquisition/divestment fees

The Trustee-Manager is entitled to a fee upon the acquisition of an asset by any subsidiary calculated as 1% of the acquisition value of the investment.

The Trustee-Manager is entitled to a fee upon the disposal/divestment of an asset by any subsidiary calculated as 0.5% of the sale value of the investment.

(b) Property Manager's fees

(i) Property management services

For the property management services, the property owner will pay the Property Manager a fee calculated based on 2% of the total property income of each property plus reimbursement of remuneration costs of the personnel employed by the Property Manager who are deployed on-site at the properties to provide property management services.

(ii) Lease management services

For the lease management services, the property owner will pay the Property Manager a fee calculated based on 1% of the total property income of each property.

(iii) General management services

For the general management services, the property owner will pay an apportioned amount of the remuneration cost of the centralized staff employed by the Property Manager for the purposes of providing general management services.

(iv) Marketing services

For the marketing services, the property owner will pay the Property Manager the following commissions:

a. One month's rent (including property and fit-out rental) for every lease with duration of less than one year;

b. One and a half months' rent (including property and fit-out rental) for every lease with a duration of between one and three years;

c. Two months' rent for every lease with duration of more than three but not exceeding ten years;

29. RELATED PARTY TRANSACTIONS (continued)

(b) Property Manager's fees (continued)

(iv) Marketing services (continued)

d. 2% of the total lease payment for the entire lease period for every lease with a duration exceeding ten years;

e. Renewal of an existing lease will be calculated at half of the above commission otherwise payable for a new tenancy; and

f. 2% of the total sale consideration for the sale of property.

Where external property agents are involved in securing a lease, renewal or sale of a property, a 20% mark-up applies to the abovementioned commissions.

(v) Project management services

For the project management services, the property owner will pay the Property Manager a fee of 2% of the construction cost for development, re-development, refurbishment, retrofitting, addition to and alteration of or renovation carried out in the property.

Some of the Group's transactions and arrangements are with (a) the Trustee-Manager; and (b) the significant corporate Unitholders, CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) and Temasek Holdings (Private) Limited, and their associates. The effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, repayable on demand and expected to be settled in cash unless otherwise stated.

In addition to the transactions disclosed elsewhere in the financial statements, the following are related party transactions based on agreed terms:

	Group	
	2021	2020
	$'000	$'000
Companies controlled by a unitholder that has significant influence over the Group:		
Trustee-Manager's fees paid/payable	**18,263**	16,017
Property management services	**3,606**	3,607
Lease management services	**1,799**	1,803
General management fee	**4,125**	4,399
Marketing services	**3,489**	1,996
Project management fees	**276**	368
Rental income received/receivable	**(2,793)**	(3,050)

Acquisition fee

During the financial year, acquisition fee of INR 72 million (equivalent to $1,306,000) was was paid/payable to the Trustee-Manager related to acquisition of aVance 6, Hyderabad and Aurum Q Parc, Building Q1, Navi Mumbai.

In the previous financial year, INR 2 million (equivalent to $33,000) was paid/payable to the Trustee-Manager related to the progress payment on Ascendas Panvel FTWZ Private Limited.

30. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate and foreign currency swaps/options to hedge certain financial risk exposures.

Management is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in Management's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The Audit and Risk Committee ("ARC") oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by the internal auditors. The internal auditors undertake both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the functional currency of the Trust and its subsidiaries. The currency giving rise to this risk is primarily the SGD. The Group entered into cross currency swaps and options to manage foreign exchange exposure to SGD arising from SGD denominated borrowings.

The Group's distribution to Unitholders is in SGD. To enhance the stability of distribution to Unitholders, the Group entered into forward contracts to hedge a substantial portion of the cash flow it expects to receive. The hedging of INR cash flows receivable from the subsidiaries is effected through a forward sale of INR and purchase of SGD.

In respect of other monetary assets and liabilities held in currencies other than the INR, the Group ensures that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates, where necessary, to address short term imbalances.

30. FINANCIAL RISK MANAGEMENT (continued)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

The Group's main currency exposure based on the information provided to key management is as follows:

	INR $'000	SGD $'000	JPY $'000	USD $'000	HKD $'000	TOTAL $'000
Group						
2021						
Financial assets						
Cash and cash equivalents	**164,488**	**3,311**	**71**	**17**	**–**	**167,887**
Trade and other receivables	**69,802**	**49**	**–**	**–**	**–**	**69,851**
Long term receivables	**344,696**	**–**	**–**	**–**	**–**	**344,696**
Other financial assets	**5,188**	**–**	**–**	**–**	**–**	**5,188**
Total financial assets	**584,174**	**3,360**	**71**	**17**	**–**	**587,622**
Financial liabilities						
Trade and other payables	**(192,701)**	**–**	**(356)**	**–**	**–**	**(193,057)**
Borrowings	**–**	**(925,853)**	**(106,695)**	**–**	**(50,290)**	**(1,082,838)**
Total financial liabilities	**(192,701)**	**(925,853)**	**(107,051)**	**–**	**(50,290)**	**(1,275,895)**
Net financial assets/ (liabilities)	**391,473**	**(922,493)**	**(106,980)**	**17**	**(50,290)**	**(688,273)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	**(391,473)**	**–**	**–**	**–**	**–**	**(391,473)**
Currency swaps	**–**	**19,288**	**(2,901)**	**–**	**1,845**	**18,232**
Currency forwards	**–**	**(147)**	**–**	**–**	**–**	**(147)**
Options	**–**	**2,822**	**–**	**–**	**–**	**2,822**
Net currency exposure	**–**	**(900,530)**	**(109,881)**	**17**	**(48,445)**	**(1,058,839)**

30. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	INR $'000	SGD $'000	JPY $'000	USD $'000	HKD $'000	TOTAL $'000
Group						
2020						
Financial assets						
Cash and cash equivalents	65,899	35,107	103	17	–	101,126
Trade and other receivables	56,962	–	–	–	–	56,962
Long term receivables	348,122	–	–	–	–	348,122
Other financial assets	5,020	–	–	–	–	5,020
Total financial assets	476,003	35,107	103	17	–	511,230
Financial liabilities						
Trade and other payables	(145,832)	(175)	(165)	–	–	(146,172)
Borrowings	–	(596,044)	(167,358)	–	(50,280)	(813,682)
Total financial liabilities	(145,832)	(596,219)	(167,523)	–	(50,280)	(959,854)
Net financial assets/ (liabilities)	330,171	(561,112)	(167,420)	17	(50,280)	(448,624)
Less: Net financial liabilities denominated in the respective entities' functional currencies	(330,171)	–	–	–	–	(330,171)
Currency swaps	–	18,340	10,727	–	(62)	29,005
Currency forwards	–	(52)	–	–	–	(52)
Options	–	(297)	–	–	–	(297)
Net currency exposure	–	(543,121)	(156,693)	17	(50,342)	(750,139)

30. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If SGD, JPY, USD and HKD changes against INR by 10% (2020: 10%) respectively with all other variables including tax rate being held constant, the effects on profit or loss from the net position will be as follows:

	Group	
	31 December 2021 S$'000	31 December 2020 S$'000
	Increase/(Decrease)	Increase/(Decrease)
SGD against INR		
– Strengthened	**(90,053)**	(54,312)
– Weakened	**90,053**	54,312
JPY against INR		
– Strengthened	**(10,988)**	(15,669)
– Weakened	**10,988**	15,669
USD against INR		
– Strengthened	**2**	2
– Weakened	**(2)**	(2)
HKD against INR		
– Strengthened	**(4,845)**	(5,034)
– Weakened	**4,845**	5,034

(ii) Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has minimal interest rate risk as the Group has substantially hedged its floating rate financial liabilities, and its profits after tax and operating cash flows are substantially independent of changes in market interest rates.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk*

Credit risk refers to the risk that may arise on outstanding financial instruments should counterparty default on its obligations. Credit risk arising from the inability of a customer to meet the terms of the Group's financial instrument contract is generally limited to the amounts, if any, by which the customer's obligations exceed the obligations of the Group. The Group's and Trust's exposure to credit risk primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with result that the Group's exposure to bad debts is not significant.

Expected Credit Loss

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments.

To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportable forward-looking information which include, but limited to, the following indicators:

(i) Credit rating or standing;

(ii) Actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;

(iii) Actual or expected significant changes in the operating results of the borrower;

(iv) Significant changes in expected performance and behaviour of the borrower, including changes in the payment status or patterns of the borrowers.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payments and the outstanding receivables exceeded the security deposits paid by the tenants.

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

(i) A breach of contracts that is not cure or remediate within the stipulated timeframe;

(ii) It is probable that the borrower will enter into bankruptcy or liquidation;

(iii) There is a disappearance of an active market for that financial asset because of financial difficulty.

Financial assets are written off when there is no reasonable expectation of recovery.

The following are credit risk management practises and quantitative and qualitative information about amounts arising from expected credit losses for each classes of financial assets.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Long-term receivables at amortised cost

The Group compute expected credit loss for this group of financial assets using probability of default approach.

Category	Definition of category	Basis for recognition of expected credit loss provision
Category 1	Assets where there is no identified credit deterioration since initial recognition	12-month expected credit losses
Category 2	Assets where there is no more than insignificant deterioration in credit quality since initial recognition	Lifetime expected credit losses
Category 3	Assets which are identified as impaired	Lifetime expected credit losses

There are no significant changes to estimation technique or assumptions made during the reporting period.

The maximum exposure to loss, without taking into account any collaterals held or other credit enhancements is as listed below:

		31 December 2021 $'000
12-month ECL	Long-term receivables at amortised costs	**344,696**

(ii) Trade and other receivables

Credit evaluations are performed before lease agreements are entered into with tenants. Rental deposits are received, where appropriate, to reduce credit risk. In addition, the Group monitors the balances due from its tenants on an ongoing basis.

The Group establishes allowances for impairment that represents its estimate of the expected credit loss and specific loss component in respect of trade and other receivables.

The allowance account in respect of trade and other receivables is used to record impairment losses. If the Group is satisfied that no recovery of the amount owing is possible, the financial assets are considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial assets.

<u>Exposure to credit risk</u>

The Group use an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated based on the probability of a receivables progressing though successive stages of delinquency to write-off and are based on actual credit loss experience over the past years.

The Group believe that no allowance for impairment is necessary in respect of trade receivables with sufficient security deposits as collateral. The Group provide ECL in respect of those trade receivables with balances in excess of security deposits.

30. FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk (continued)*

(ii) *Trade and other receivables (continued)*

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(c) *Liquidity risk*

Management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. In addition, Management also monitors and observes the bank covenants imposed by the banks on the various borrowings.

The table below analyses the maturity profile of the Group's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
2021				
Net-settled swaps	**(30,894)**	**(24,982)**	**(36,915)**	**–**
Net-settled options	**(5,796)**	**(4,065)**	**–**	**–**
Net-settled currency forwards	**(184)**	**–**	**–**	**–**
Trade and other payables	**(134,199)**	**(58,859)**	**–**	**–**
Borrowings (including interest)	**(458,369)**	**(214,058)**	**(439,154)**	**–**
	(629,442)	**(301,964)**	**(476,069)**	**–**
2020				
Net-settled swaps	(18,424)	(15,581)	(12,735)	–
Net-settled options	(4,349)	(4,349)	(3,049)	–
Net-settled currency forwards	(125)	–	–	–
Trade and other payables	(104,485)	(41,687)	–	–
Borrowings (including interest)	(132,599)	(260,094)	(454,424)	–
	(259,982)	(321,711)	(470,208)	–

The Group and Trust manage the liquidity risk by maintaining sufficient cash from borrowings and cash generated from operations to enable them to meet their capital expenditure and operating commitments.

30. FINANCIAL RISK MANAGEMENT (continued)

(d) *Capital risk*

Management's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the Trust Deed to fund future acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, Management may issue new units or source for additional borrowing from both financial institutions and capital markets.

Management monitors capital based on gearing ratio. As provided for in the Trust Deed, the maximum gearing ratio currently applicable is 50%.

The gearing ratio is calculated as total effective borrowings, which takes into account deferred consideration and the derivative financial instruments used to hedge borrowings, divided by value of Trust Property.

	Group	
	2021	2020
	$'000	$'000
Total effective borrowings	**1,059,776**	786,216
Value of Trust Property	**3,138,721**	2,651,466
Gearing	**34%**	30%

Trust Property consists of all property and rights of any kind whatsoever which are held on trust for the Unitholders, in accordance with the terms of the Trust Deed.

The Group is in compliance with the borrowing limit requirements imposed by the Trust Deed and all externally imposed capital requirements for the financial year ended 31 December 2021 and 2020.

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE

(a) *Accounting classifications*

The financial assets and liabilities, together with the carrying amounts shown in the balance sheets are as follows:

	Note	Fair value through profit or loss $'000	Fair value – hedging instrument $'000	Financial assets carried at amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Group						
2021						
Financial assets						
Cash and cash equivalents	11	**–**	**–**	**167,887**	**–**	**167,887**
Other financial assets		**–**	**–**	**5,188**	**–**	**5,188**
Trade and other receivables		**–**	**–**	**69,851**	**–**	**69,851**
Long term receivables	16	**–**	**–**	**344,696**	**–**	**344,696**
Currency swaps	17	**–**	**22,143**	**–**	**–**	**22,143**
Options	17	**–**	**2,822**	**–**	**–**	**2,822**
Interest rate swaps	17	**–**	**2,192**	**–**	**–**	**2,192**
		–	**27,157**	**587,622**	**–**	**614,779**
Financial liabilities						
Trade and other payables		**–**	**–**	**–**	**193,057**	**193,057**
Borrowings	26	**–**	**–**	**–**	**1,082,838**	**1,082,838**
Currency forwards	17	**147**	**–**	**–**	**–**	**147**
Currency swaps	17	**–**	**3,911**	**–**	**–**	**3,911**
Interest rate swaps	17	**–**	**37**	**–**	**–**	**37**
		147	**3,948**	**–**	**1,275,895**	**1,279,990**
2020						
Financial assets						
Cash and cash equivalents	11	–	–	101,126	–	101,126
Other financial assets		–	–	5,020	–	5,020
Trade and other receivables		–	–	56,962	–	56,962
Long term receivables	16	–	–	348,122	–	348,122
Currency swaps	17	–	29,841	–	–	29,841
Options	17	–	423	–	–	423
		–	30,264	511,230	–	541,494
Financial liabilities						
Trade and other payables		–	–	–	146,172	146,172
Borrowings	26	–	–	–	813,682	813,682
Currency forwards	17	52	–	–	–	52
Currency swaps	17	–	836	–	–	836
Options	17	–	720	–	–	720
Interest rate swaps	17	–	1,190	–	–	1,190
		52	2,746	–	959,854	962,652

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(a) *Accounting classifications (continued)*

	Note	Fair value through profit or loss $'000	Fair value – hedging instrument $'000	Financial assets carried at amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Trust						
2021						
Financial assets						
Cash and cash equivalents	11	**–**	**–**	**2,769**	**–**	**2,769**
Loans to subsidiaries	14	**–**	**–**	**847,860**	**–**	**847,860**
Trade and other receivables	15	**–**	**–**	**1,648**	**–**	**1,648**
Currency swaps	17	**–**	**22,143**	**–**	**–**	**22,143**
Options	17	**–**	**2,822**	**–**	**–**	**2,822**
Interest rate swaps	17	**–**	**2,192**	**–**	**–**	**2,192**
		–	**27,157**	**852,277**	**–**	**879,434**
Financial liabilities						
Trade and other payables	24	**–**	**–**	**–**	**85,711**	**85,711**
Borrowings	26	**–**	**–**	**–**	**1,082,838**	**1,082,838**
Currency forwards	17	**147**	**–**	**–**	**–**	**147**
Currency swaps	17	**–**	**3,911**	**–**	**–**	**3,911**
Interest rate swaps	17	**–**	**37**	**–**	**–**	**37**
		147	**3,948**	**–**	**1,168,549**	**1,172,644**
2020						
Financial assets						
Cash and cash equivalents	11	–	–	30,564	–	30,564
Loans to subsidiaries	14	–	–	652,028	–	652,028
Trade and other receivables	15	–	–	2,076	–	2,076
Currency swaps	17	–	29,841	–	–	29,841
Options	17	–	423	–	–	423
		–	30,264	684,668	–	714,932
Financial liabilities						
Trade and other payables	24	–	–	–	64,725	64,725
Borrowings	26	–	–	–	813,682	813,682
Currency forwards	17	52	–	–	–	52
Currency swaps	17	–	836	–	–	836
Options	17	–	720	–	–	720
Interest rate swaps	17	–	1,190	–	–	1,190
		52	2,746	–	878,407	881,205

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(a) Accounting classifications (continued)

The carrying values of fixed rate medium term note and deposit approximate their fair values. The fair values are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

The carrying value of the borrowings are reasonable approximation of their fair values as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying value less impairment provision of trade receivables and the carrying value of payables are assumed to approximate their fair values.

The carrying value of other financial assets (current), trade and other payables (current) and borrowings (current), are reasonable approximation of their fair values due to their short-term nature.

(b) Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 – Unobservable inputs for the asset or liability.

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements*

(i) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the financial year:

	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group			
2021			
Recurring fair value measurements			
Assets			
Financial assets:			
Derivative financial instruments			
– Currency swaps	22,143	–	22,143
– Interest rate swaps	2,192	–	2,192
– Options	2,822	–	2,822
Total financial assets	27,157	–	27,157
Non-financial assets:			
Investment properties	–	2,259,663	2,259,663
Investment properties under construction	–	184,397	184,397
Total non-financial assets	–	2,444,060	2,444,060
Liabilities			
Financial liabilities:			
Derivative financial instruments			
– Currency forwards	147	–	147
– Currency swaps	3,911	–	3,911
– Interest rate swaps	37	–	37
Total financial liabilities	4,095	–	4,095

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements (continued)*

(ii) *Assets and liabilities measured at fair value*

	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
Group			
2020			
Recurring fair value measurements			
Assets			
Financial assets:			
Derivative financial instruments			
– Currency swaps	29,841	–	29,841
– Options	423	–	423
Total financial assets	30,264	–	30,264
Non-financial assets:			
Investment properties	–	1,955,332	1,955,332
Investment properties under construction	–	109,113	109,113
Total non-financial assets	–	2,064,445	2,064,445
Liabilities			
Financial liabilities:			
Derivative financial instruments			
– Currency forwards	52	–	52
– Currency swaps	836	–	836
– Options	720	–	720
– Interest rate swaps	1,190	–	1,190
Total financial liabilities	2,798	–	2,798

31. ACCOUNTING CLASSIFICATIONS AND FAIR VALUE (continued)

(c) *Fair value measurements (continued)*

(i) *Level 2 fair value measurements*

As at 31 December 2021, the Group has currency forwards, interest rate swaps and currency swaps/options, which are categorised in Level 2. The fair value of currency forwards is determined using mark-to-market valuation, which is calculated on the basis of quoted forward exchange rates at the end of the reporting period, received from respective banking and financial institutions. The fair values of interest rate swaps and currency swaps/options are also determined using mark-to-market valuation, which is calculated as the present value of the estimated future cash flows, received from respective banking and financial institutions. These derivative financial instruments are recognised at fair value in the financial statements.

(ii) *Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

	Fair value $'000	Valuation techniques	Unobservable inputs	Range
Group				
2021				
Recurring fair value measurements				
– Investment properties	**2,259,663**	Discounted cash flow method, income capitalisation method, direct comparison method	Discount rate, capitalisation rate, land price per sq.ft	**11.53 – 13.48%** **8.50 – 9.00%** **INR 353 – INR 4,589**
– Investment properties under construction	**184,397**			
2020				
Recurring fair value measurements				
– Investment properties	1,955,332	Discounted cash flow method, income capitalisation method	Discount rate, capitalisation rate	11.75 – 17.00% 8.75 – 9.75%
– Investment properties under construction	109,113			

The valuation of investment properties and investment properties under construction is determined through the three approaches, income capitalisation, discounted cash flow and direct comparison method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

32. COMMITMENTS

As at the end of the financial year, the Group had the following commitments:

(a) Development and investment expenditure

	2021 $'000	2020 $'000
Amounts approved and contracted for		
– Investment	**450,690**	280,538
– Development	**239,208**	80,056
Amounts approved but not contracted for		
– Development	**12,981**	9,468
	702,879	370,062

As at 31 December 2021, amount approved and contracted for includes:

(i) $54,152,000 (2020: $85,609,000 – two IT buildings) pertaining to the acquisition of one IT building at Navi Mumbai.

(ii) $148,217,000 (2020: $100,308,000) pertaining to the acquisition of IT buildings at aVance Hyderabad and HITEC City 2 Special Economic Zone, Hyderabad.

(iii) $96,975,000 (2020: $83,349,000) pertaining to the acquisition of IT building at Pune.

(iv) $3,829,000 (2020: $11,272,000) pertaining to the acquisition of FTWZ warehouses at Panvel and Arshiya warehouse.

(v) $132,611,000 (2020: $nil) pertaining to the acquisition of IT buidings at Bangalore.

(vi) $14,906,000 (2020: $nil) pertaining to the acquisition of industrial facility at Chennai.

(vii) $51,804,000 (2020: $80,056,000) pertaining to investment properties under construction in VITP.

(viii) $187,404,000 (2020: $nil) pertaining to development of data centre project at Navi Mumbai.

(b) Operating lease commitments – where a group company is a lessor

The Group leases out investment properties under operating leases with varying terms, escalation clauses and renewal rights.

The future minimum lease receivable under operating leases contracted for at the end of the reporting period but not recognised as receivables is analysed as follows:

	2021 $'000	2020 $'000
Lease receivables:		
– Within 1 year	**48,947**	63,325
– After 1 year but within 5 years	**70,557**	116,555
– After 5 years	**29,400**	30,205
	148,904	210,085

33. OPERATING SEGMENT

The Group's investment properties are primarily tenanted for use as business space and are located in India. No other business or geographical segments account for more than 10% of the base rent as at 31 December 2021. Therefore, the Manager considers that the Group operates within a single business segment and within a single geographical segment in India.

34. CONTINGENT LIABILITIES

The Group has the following contingent liabilities and independent tax or legal opinions were obtained to support the Management position that these claims are contingent in nature, and accordingly no provision was made.

(a) Disputed tax positions

International Technology Park Limited ("ITPL") operates both Special Economic Zone ("SEZ") and non-SEZ properties. ITPL received order from Income Tax authorities disputing ITPL's allocation of Interest expense to non-SEZ properties only and required the same to be apportioned between SEZ and non-SEZ properties. This resulted in additional tax demand of INR 31 million (equivalent to $560,000) for assessment year 2014-15. ITPL had filed an appeal.

Cyber Pearl Information Technology Park Private Limited ("Cyber Pearl") entered into an agreement with Mindtree Limited to acquire a building in CyberVale IT Special Economic Zone ("SEZ") in Chennai. Cyber Pearl sought an exemption for stamp duty under SEZ. However, Cyber Pearl received a stamp duty notice demanding INR 62 million, for which INR 45 million was already paid under protest. Cyber Pearl had filed an appeal.

Hyderabad Infratech Pvt Ltd ("HIPL") received income tax demand, including penalties and interest, of INR 374 million (equivalent to $6,797,000) for assessment year 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19. This pertained to interest expense on Fully and Compulsorily Convertible Debenture ("FCCD") where the assessing officer deemed that the appropriate interest rate benchmark was LIBOR plus 2% and the excess interest was disallowed; together with difference in lease rental income treatment for the assessment year 2015-16, 2016-17, 2017-18 and 2018-19. HIPL was of the view that LIBOR was used to benchmark foreign currency loans and should not be considered as an appropriate benchmark for interest on FCCD issued in INR (i.e. domestic currency of HIPL). The above adjustments will have consequential impact on the utilisation of business losses and unabsorbed depreciation, together with the availment of deduction under section 80IAB in subsequent assessment years.

VITP Private Limited ("VITP") received order from the Deputy Commissioner of Income-tax of INR 43 million (equivalent to $778,000) for the assessment year 2007-08, which disallowing the depreciation related to addition of fixed assets. VITP had filed an appeal.

Ascendas panvel FTWZ Private Limited ("Panvel") received an assessment order of INR 18 million (equivalent to $330,000), disallowing the deduction claimed by Panvel, acting as co-developer under Section 80(IAB). Panvel is of the view that it is eligible to claim the deduction and necessary approval had been obtained from relevant government authorities. It has appealed against the same.

34. CONTINGENT LIABILITIES (continued)

(b) Service tax disputes

ITPL received orders from the Service Tax authorities primarily disallowing the availment of service tax input credit relating to construction and certain other inputs costs for the period from October 2006 to June 2017, which estimated to be INR 109 million. During the previous financial year, ITPL has opted to apply the Indirect Tax Amnesty Scheme related to the service tax litigation for the period from October 2006 to March 2011, which amounting to INR 62 million. ITPL has subsequently provided for INR 4 million. Therefore, the potential tax exposure is estimated at INR 43 million (equivalent to $798,000).

Ascendas IT Park (Chennai) Limited ("AITPCL") received service tax assessment orders, including penalties and interest, disallowing the availment of service tax credit relating to construction costs used for rental of immovable property services and demand of service tax on electricity, water charges and fit-out for the period from October 2005 to September 2015. As at 31 December 2021, the total service tax in dispute not recognised in the financial statements, including penalties and interest, amounts to INR 893 million (equivalent to $16,208,000). AITPCL obtained opinion from its independent tax consultant who was of the view that AITPCL was eligible to avail the credit relating to construction costs while electricity, water and fit-out charges were not subject to service tax. A petition against this assessment was filed before the Customs Excise and Service Tax Appellate Tribunal ("CESTAT") for the period October 2005 to March 2010 and Commissioner of Service Tax for the period April 2010 to September 2015. AITPCL has received a favourable order to set aside the claims of INR 665 million, out of which Service Tax department only contested on service tax amount of INR537 million (equivalent to $9,747,000). The balance of INR 356 million (equivalent to $6,461,000) represents the claim from the department for period from April 2010 to October 2016 on account of similar matters.

VITP had received service tax notices from the Service Tax Department on reimbursable expenditure, termination charges received from tenants and recovery of credit availed for the period June 2007 to September 2015. The potential tax exposure, including penalty attributable to such demand notices is estimated to be INR 216 million (equivalent to $3,926,000).

HIPL provides renting of immovable property services and maintenance or repair services to the units located in the SEZ premises. HIPL has claimed exemption from payment of service tax, when the services are provided to the SEZ unit/developer for their authorised operations. HIPL was served with Show Cause Notice demanding payment of service tax with applicable interest and penalty on the grounds that HIPL has not paid service tax in all such cases where it has not been able to produce the required forms to avail service tax exemption. The Commissioner passed a final order holding that service tax amounting to INR 42 million (equivalent to $767,000), along with interest and equivalent penalty of INR 42 million (equivalent to $767,000) is payable. HIPL has filed an appeal with CESTAT.

Cyber Pearl had received service tax notice including penalties, amounted to INR 82 million (equivalent to $1,489,000) on reimbursement charges collected for utilities for the period from May 2015 to June 2017. CP has filed an appeal with CESTAT.

34. CONTINGENT LIABILITIES (continued)

(c) *Value-added tax on fit-out rental*

VITP and Cyber Pearl received demand notices from the Commercial Tax Department of Andhra Pradesh levying Value-Added Tax ("VAT") on lease rentals attributable to fit-outs. VITP and Cyber Pearl obtained opinion from an independent legal counsel who was of the view that VAT was liable to be paid by VITP and Cyber Pearl only on the consideration received towards movable portion of fit-outs and accordingly appeals against such demand notices were filed.

The potential tax exposure, attributable to such demand notices which are not recognised in the financial statements, was estimated to be INR 7 million (equivalent to $129,000) for Cyber Pearl.

During the financial year, VITP received revised orders for the assessment year 2005-06 to 2010-11 in which movable component is being considered in the value-added tax claim. Based on the above, VITP had reversed the provision of INR 49 million related to the above-mentioned assessment years. The potential tax exposure for assessment year 2011-12 and 2012-13 are still pending for the determination of the movable component amount, was estimated to be INR 15 million (equivalent to $274,000).

(d) *Transfer pricing disputes*

In ITPL, the difference in redemption price and the price as determined by the income tax department was treated as deemed dividends by ITPL in assessment years 2009-10 and 2010-11. The redemption of preference shares was not an income bearing international transaction which affected the profitability of the ITPL and did not have any income implications. Though no additional tax was demanded in the orders, the orders will have an tax impact of reducing the recorded MAT credit entitlement and carried forward business loss by INR 262 million (equivalent to $4,758,000). ITPL is contesting the said demand notice and has appealed against the same.

In VITP, the difference in buyback price and the fair value of the share as determined by the income tax department, was treated as an income of VITP in assessment years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. Pursuant to rectification petition where the available MAT credits were earlier utilised for abovementioned assessment years, the Assessing Office has passed a rectification order during the financial period and the potential tax exposure attributable, not recognised in the financial statements was estimated to be INR 258 million (equivalent to $4,694,000).

Deccan Real Ventures Private Limited ("DRVPL") and Avance Atlas Infratech Private Limited ("AVAIPL"), VITP had received transfer pricing orders related to transfer pricing adjustment under section 92CA, with respect to interest expense on FCCDs.

The potential tax exposure, attributable to such demand notices which are not recognised in these financial statements, were estimated to be INR 112 million (equivalent to $2,031,000) and INR 138 million (equivalent to $2,496,000) for DRVPL and AVAIPL respectively. The potential tax exposure for VITP was estimated to be INR 15 million (equivalent to $276,000).

34. CONTINGENT LIABILITIES (continued)

(e) *Water supply and sanitary connection charges*

ITPL had received a demand notice from Bangalore Water Supply and Sewerage Board ("BWSSB") towards pro-rata and other charges for water supply and sanitary connection amounted to INR 239 million. ITPL has replied to the notice contesting the demand as Management was of the view that no such charges were payable by ITPL as no new water connection was sought in the past.

BWSSB subsequently clarified that the pro-rata charges would be levied only on the buildings constructed after November 2008 (when the new regulations came into effect) and a portion of the sanitation treatment charges may be waived off since ITPL has its own sewage treatment plant. Based on the discussion with the authorities, ITPL has provided INR 139 million during the financial year ended 31 March 2019. ITPL had also provided INR 41 million and INR 55 million for the Anchor building and Achor Annex building which completed during the financial period/year ended 31 December 2019 and 31 December 2020 respectively.

During the last financial year, ITPL had received a revised demand notice where the demand amount has been revised from INR 242 million to INR 384 million, therefore the contingent liability towards water supply and sanitary connection increased to INR 204 million (equivalent to $3,703,000).

(f) *Property tax disputes*

ITPL had received demand notice from the local municipal authority towards difference between property tax paid by ITPL on self-assessment basis and survey conducted by the local municipal authority for the period 2008-09 to 2017-18. This resulted in demand of additional tax of INR 398 million (equivalent to $7,226,000). ITPL is contesting the said demand notice and has appealed against the same.

35. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager, Ascendas Property Fund Trustee Pte. Ltd. on 24 February 2022.

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TRUSTEE-MANAGER FINANCIAL STATEMENTS

ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

Directors' Statement

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Directors are pleased to present their statement to the shareholder together with the audited financial statements of Ascendas Property Fund Trustee Pte. Ltd. (in its personal capacity and not as Trustee-Manager of Ascendas India Trust) (the "Company") for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr Chiang Chie Foo	(Chairman)
Mr Manohar Khiatani	(Deputy Chairman)
Mr Sanjeev Dasgupta	
Mr Alan Rupert Nisbet	
Mrs Zia Jaydev Mody	
Dr Ernest Kan Yaw Kiong	
Ms Tan Soon Neo Jessica	
Mr Jonathan Yap Neng Tong	

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' interests in contracts which arose before their appointment as Directors are not set out herein.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year (including those held by spouses and infant children) in shares or debentures of the Company, or of its related corporations, are as follows:

	Holdings in the name of the Director, spouse and/or infant children	
	At 1 January 2021	At 31 December 2021
Intermediate Holding Company		
CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited) (Delisted on 21 September 2021)		
Ordinary Shares		
Mr Chiang Chie Foo	41,301	–
Mr Manohar Khiatani	78,168	–
Mr Jonathan Yap Neng Tong	244,125	–
Contingent award of Performance shares[1a,2] to be delivered after 2021		
Mr Manohar Khiatani (88,039 shares)	0 to 176,078[4]	–
Mr Jonathan Yap Neng Tong (192,086 shares)	0 to 384,172[4]	–
Contingent award of Performance shares[1a,2] to be delivered after 2022		
Mr Manohar Khiatani (40,485 shares)	0 to 80,970[4]	–
Mr Jonathan Yap Neng Tong (175,438 shares)	0 to 350,876[4]	–
Unvested Restricted shares[5,6] to be delivered after 2019		
Mr Manohar Khiatani	73,165[7,8]	–
Mr Jonathan Yap Neng Tong	135,878[7,8]	–
Contingent award of Restricted shares[5a,6] to be delivered after 2020		
Mr Manohar Khiatani (53,981 shares)	0 to 80,971[7,8]	–
Mr Jonathan Yap Neng Tong (148,448 shares)	0 to 222,672[7,8]	–

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the Director, spouse and/or infant children	
	At 1 January 2021	At 31 December 2021
Intermediate Holding Company		
<u>CapitaLand Investment Limited</u>		
Ordinary Shares		
Mr Manohar Khiatani	–	**232,743**
Mr Chiang Chie Foo	–	**41,301**
Mr Jonathan Yap Neng Tong	–	**376,390**
Award of Performance shares[1,2] to be delivered after 2021		
Mr Manohar Khiatani (255,852 shares)	–	**255,852**
Mr Jonathan Yap Neng Tong (558,226 shares)	–	**558,226**
Award of Performance shares[1,2] to be delivered after 2022		
Mr Manohar Khiatani (117,654 shares)	–	**117,654**
Mr Jonathan Yap Neng Tong (509,845 shares)	–	**509,845**
Award of Performance shares[1,2] to be delivered after 2023		
Mr Manohar Khiatani (111,679 shares)	–	**111,679**
Mr Jonathan Yap Neng Tong (647,749 shares)	–	**647,749**
Contingent award of Performance shares[1,3] under Founder Share Award to be delivered after 2025		
Mr Manohar Khiatani (177,116 shares)	–	**0 to 531,348**
Mr Sanjeev Dasgupta (177,116 shares)	–	**0 to 531,348**
Mr Jonathan Yap Neng Tong (637,619 shares)	–	**0 to 1,912,857**
Related Corporations		
<u>Ascendas Pte Ltd</u>		
S$200,000,000 3.50% Fixed Rate Notes due 2023		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
<u>CapitaLand Treasury Limited</u>		
S$500,000,000 3.80% Fixed Rate Notes due 2024		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
S$500,000,000 3.65% Fixed Rate Subordinated Perpetual Notes		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
Mr Jonathan Yap Neng Tong	S$250,000	**S$250,000**
<u>Mapletree Treasury Services (HKSAR) Limited</u>		
Perpetual Securities: S$200,000,000 2.888% Notes due 2021		
Mr Chiang Chie Foo	S$250,000	**–**

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the Director, spouse and/or infant children	
	At 1 January 2021	At 31 December 2021
<u>**Mapletree Treasury Services Limited**</u>		
S$700,000,000 3.95% Subordinated Perpetual Securities		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
<u>**Singapore Airlines Limited**</u>		
Ordinary Shares		
Mr Chiang Chie Foo	23,000	**23,000**
Mr Manohar Khiatani	10,000	**10,000**
S$700,000,000 3.035% Fixed Rate Notes due 2025		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
S$600,000,000 3.16% Fixed Rate Notes due 2023		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
<u>**Olam International Limited**</u>		
S$300,000,000 5.5% Perpetual Securities due 2022		
Dr Ernest Kan Yaw Kiong	S$250,000	**S$250,000**
US$300,000,000 4.5% Fixed Rate Notes due 2021		
Dr Ernest Kan Yaw Kiong	US$200,000	**US$200,000**
<u>**Singapore Technologies Engineering Ltd**</u>		
Ordinary Shares		
Mr Chiang Chie Foo	10,000	**10,000**
<u>**Singapore Technologies Telemedia Pte Ltd**</u>		
S$350,000,000 5% Subordinated Perpetual Securities		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
<u>**Singapore Telecommunications Limited**</u>		
Ordinary Shares		
Mr Chiang Chie Foo	31,130	**31,130**
Ms Tan Soon Neo Jessica	190	**190**
Mr Jonathan Yap Neng Tong	380	**380**
<u>**Starhub Ltd**</u>		
Ordinary Shares		
Mr Chiang Chie Foo	20,000	**20,000**

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Holdings in the name of the Director, spouse and/or infant children	
	At 1 January 2021	At 31 December 2021
<u>**Temasek Financial (IV) Private Limited**</u>		
S$500,000,000 2.7% Coupon Temasek Bond due 2023		
Ms Tan Soon Neo Jessica	S$6,000	**S$6,000**
<u>**Ascendas Real Estate Investment Trust**</u>		
S$200,000,000 3.14% Notes due 2025		
Mr Chiang Chie Foo	S$250,000	**S$250,000**
<u>**Sembcorp Marine Ltd**</u>		
Ordinary Shares		
Mr Chiang Chie Foo	–	**29,466**
<u>**Vertex Venture Holdings Ltd**</u>		
S$450,000,000 3.30% Notes due 2028	–	**S$250,000**
Mr Chiang Chie Foo		

Notes:
1 Awards made pursuant to the CapitaLand Investment Limited (CLI) Performance Share Plan 2021.
1a Awards made pursuant to the CapitaLand (CL) Performance Share Plan 2010.
2 Following the completion of the strategic restructuring of the investment management business of CL and as further described in CLI introductory document dated 17 July 2021, the awards granted under CL's CapitaLand Performance Share Plan 2010 and CapitaLand Performance Share Plan 2020 (collectively, the "CL PSP Awards") to certain employees of CLI and CL group companies have been replaced with shares under the CapitaLand Investment Performance Share Plan 2021 ("CLI PSP 2021"), which will vest in accordance with the original vesting schedule of the CL PSP Awards.
3 This is a long-term share-based award which will vest after the end of a 5-year performance period, subject to the achievement of the targets approved by the Executive Resource and Compensation Committee. The number of shares to be released as soon as practicable upon vesting will be determined based on, inter alia, the award multiplied by an achievement factor. If the minimum performance level is achieved, the achievement factor will be 0.2. If the performance level exceeds minimum but is below superior, the achievement factor will be adjusted accordingly within the range of 0.2 to 3.0. If the performance level is superior and above, the achievement factor will be 3.0. Conversely, if the performance level is below minimum, the achievement factor will be zero and no share will be released.
4 The final number of shares to be released will depend on the achievement of pre-determined targets over a three-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 200% of the baseline award. The Executive Resource and Compensation Committee (ERCC) of CapitaLand Group Pte. Ltd. has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.
5 Awards made pursuant to the CapitaLand Restricted Share Plan 2010 (RSP 2010).
5a Awards made pursuant to the CapitaLand Restricted Share Plan 2020 (RSP 2020).
6 Termination of RSPs and shares being the unvested remaining shares under the awards granted under the RSPs has been released in the form of cash in lieu of shares. Cash payment will be released to eligible participants according to the original vesting schedule of each respective RSP award.
7 Being the unvested one-third of the award.
8 An additional number of shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the RSP 2010 and RSP 2020, will also be released on the final vesting.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interest in shares, debentures, options or awards of the Company, or of related corporations either at the beginning of the financial year, or at the end of the financial year.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITOR

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors:

MANOHAR KHIATANI
Director

SANJEEV DASGUPTA
Director

24 February 2022

MEMBER OF THE COMPANY
ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ascendas Property Fund Trustee Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 238 to 265.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company 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 '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report of the Company. Other information is defined as all information in the annual report of the Company other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of the auditors' report.

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

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

Responsibilities of management and directors for the financial statements

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

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

The directors' responsibilities include overseeing the Company's financial reporting process.

MEMBER OF THE COMPANY
ASCENDAS PROPERTY FUND TRUSTEE PTE. LTD.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 February 2022

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Revenue	4	**18,263**	16,017
Cost of sales		**(649)**	–
Gross Profit		**17,614**	16,017
Other income	5	**5,520**	3,408
Expenses			
Depreciation of plant and equipment	9	**(4)**	(8)
Employee compensation	6	**(5,598)**	(3,758)
Other operating expenses	7	**(3,425)**	(2,633)
Total expenses		**(9,027)**	(6,399)
Profit Before Tax		**14,107**	13,026
Tax expenses	8	**(1,642)**	(1,788)
Net Profit After Tax		**12,465**	11,238
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Net fair value gain/(loss) on equity instruments at fair value through other comprehensive income ("FVOCI")		**2,561**	(9,030)
Total Comprehensive Income for the year		**15,026**	2,208

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

Balance Sheet

AS AT 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
ASSETS			
Non-current assets			
Deferred tax assets	8	**11**	1
Plant and equipment	9	**2**	7
Investment securities	10	**95,219**	85,024
		95,232	85,032
Current assets			
Trade and other receivables	11	**19,070**	13,097
Cash and cash equivalents	12	**1,035**	1,074
Prepayments		**20**	30
		20,125	14,201
Total assets		**115,357**	99,233
LIABILITIES			
Current liabilities			
Trade and other payables	13	**3,877**	1,438
Employee benefits	14	**673**	206
Current tax liabilities		**3,467**	3,495
		8,017	5,139
Non-current liability			
Employee benefits	14	**626**	461
Total liabilities		**8,643**	5,600
NET ASSETS		**106,714**	93,633
EQUITY			
Share capital	15	**1,000**	1,000
Fair value reserve	16	**28,659**	26,209
Revenue reserve		**77,000**	66,424
Other capital reserve		**55**	–
Total equity		**106,714**	93,633

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

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital $'000	Fair value reserve $'000	Revenue reserve $'000	Other capital reserve $'000	Total equity $'000
2021						
As at 1 January 2021		**1,000**	**26,209**	**66,424**	**–**	**93,633**
Profit for the year		**–**	**–**	**12,465**	**–**	**12,465**
Other comprehensive income:						
Net fair value gain on equity instruments at FVOCI	10	**–**	**2,561**	**–**	**–**	**2,561**
Total comprehensive income for the year		**–**	**2,561**	**12,465**	**–**	**15,026**
Transfer of fair value reserve on equity instruments at FVOCI		**–**	**(111)**	**111**	**–**	**–**
Transactions with owner, recorded directly in equity						
Share based payment		**–**	**–**	**–**	**55**	**55**
Dividends	17	**–**	**–**	**(2,000)**	**–**	**(2,000)**
As at 31 December 2021		**1,000**	**28,659**	**77,000**	**55**	**106,714**
2020						
As at 1 January 2020		1,000	35,350	57,075	–	93,425
Profit for the year		–	–	11,238	–	11,238
Other comprehensive income:						
Net fair value loss on equity instruments at FVOCI	10	–	(9,030)	–	–	(9,030)
Total comprehensive income for the year		–	(9,030)	11,238	–	2,208
Transfer of fair value reserve on equity instruments at FVOCI		–	(111)	111	–	–
Transactions with owner, recorded directly in equity						
Dividends	17	–	–	(2,000)	–	(2,000)
As at 31 December 2020		1,000	26,209	66,424	–	93,633

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

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Operating activities			
Net profit after tax		**12,465**	11,238
Adjustments for:			
Tax expenses	8	**1,642**	1,788
Depreciation of plant and equipment	9	**4**	8
Distribution income	5	**(5,484)**	(3,193)
Employee compensation paid/payable in units		**824**	574
Share-based expenses (equity settled)		**55**	–
Fund management fee received/receivable in units of listed property trust		**(8,270)**	(7,794)
Operating cash flows before changes in working capital		**1,236**	2,621
Changes in working capital			
Trade and other receivables		**(5,655)**	(1,491)
Prepayments		**10**	(18)
Trade and other payables		**2,564**	(1,648)
Cash flows used in operations		**(1,845)**	(536)
Tax paid		**(1,679)**	(414)
Net cash flows used in operating activities		**(3,524)**	(950)
Investing activities			
Purchase of property, plant and equipment		**–**	(8)
Proceed from disposal of plant and equipment		**1**	–
Distribution received from investment securities		**5,484**	3,193
Net cash flows from investing activities		**5,485**	3,185
Financing activity			
Dividends paid		**(2,000)**	(2,000)
Net cash flows used in financing activity		**(2,000)**	(2,000)
Net (decrease)/increase in cash and cash equivalents		**(39)**	235
Cash and cash equivalents at beginning of financial year		**1,074**	839
Cash and cash equivalents at end of financial year		**1,035**	1,074

Significant non-cash transactions

During the year ended 31 December 2021, the Company received 5,658,492 units (2020: 5,151,760 units) in Ascendas India Trust ("a-iTrust"), amounting to $7.95 million (2020: $7.12 million) as payment of base fee for the period from October 2020 to September 2021 (2020: October 2019 to September 2020) and performance fee for the period from January 2020 to December 2020 (2020: April 2019 to December 2019).

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

1. CORPORATE INFORMATION

Ascendas Property Fund Trustee Pte. Ltd. (the "Company") is a limited liability company, domiciled and incorporated in Singapore.

Its immediate holding company, intermediate holding company and ultimate holding company are CLI FM Pte. Ltd., CapitaLand Investment Limited and Temasek Holdings (Private) Limited respectively. All companies are incorporated in Singapore.

The registered office and principal place of business of the Company is located at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912.

The principal activities of the Company are those relating to investment advisory, property fund management and to act as fund manager and trustee for Ascendas India Trust ("a-iTrust"), a business trust listed on the Singapore Exchange Securities Trading Limited.

For financial reporting purposes, the intermediate and ultimate holding companies of the Company are CapitaLand Limited ("CL") and Temasek Holdings (Private) Limited respectively for the financial year ended 31 December 2020. With effect from September 2021, following internal restructuring of CL, CL ceased to be the intermediate company of the Company and CapitaLand Investment Limited ("CLI") became the intermediate holding company. Temasek Holdings (Private) Limited remains as the ultimate holding company of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information presented in Singapore Dollars have been 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 period except in the current financial year, the Company has applied the new FRSs, amendments to and interpretations of FRS that are effective for annual financial period beginning on or after 1 January 2021. The adoption of these standards did not have any effect on the financial statements of the Company.

- *COVID-19-Related Rent Concessions (Amendments to FRS 116)*

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39 and FRS 107, FRS 104 and FRS 116)*

The Company has not early adopted the new standard, interpretations and amendments to standard changes which are effective for annual periods beginning after 1 January 2021, in preparing these financial statements. These changes are not expected to have a significant impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments are effective for the Company's annual period beginning 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following amendments to FRS are not expected to have a significant impact on the Company's financial statements.

- FRS 104 *Insurance Contracts* and amendments to FRS 104 *Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *Reference to the Conceptual Framework (Amendments to FRS 103)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to FRS 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Annual Improvements to FRSs 2018-2020*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) Management fee

Management fees comprise of fund management fee, trustee fee and performance fee which is recognised in profit or loss as and when services are rendered.

(b) Acquisition and divestment fee

Acquisition and divestment fee is recognised in profit or loss as and when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Other income

(a) *Distribution income*

Distribution income is recognised in profit or loss on the date on which the Company's right to receive payment is established in the manner intended.

(b) *Government grants*

Government grants related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as "other income" on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as "other income" on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

(c) *Interest income*

Interest income is recognised as it accrues, using the effective interest rate method.

2.6 Plant and equipment

(a) *Measurement*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (Note 2.7).

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

(b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over the estimated useful lives as follows:

	Useful lives
Computers, furniture and equipment	3 to 5 years

The residual values, depreciation method and estimated useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each end of reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Impairment of non-financial assets

Plant and equipment are reviewed for impairment at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2.8 Financial assets

(a) Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

(b) Subsequent measurement

(i) Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(b) Subsequent measurement (continued)

(ii) Equity investments at fair value through other comprehensive income ("FVOCI")

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Gains or losses recognised in other comprehensive income are never reclassified from equity to profit or loss. However, the Company may transfer the FVOCI equity reserves within equity. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

(c) Derecognition

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or transfers substantially all the risks and rewards of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(d) Impairment

The Company assesses on a forward looking basis the expected credit losses ("ECLs") associated with its financial assets carried at amortised cost. For trade receivables, the Company applies the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For other receivables, the general approach is applied. A loss allowance is recognised based on 12-month ECL if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime ECL will be calculated and recognised.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowance for financial assets measured at amortised cost, are deducted from the gross carrying amount of these assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

(e) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.9 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(b) Subsequent measurement

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

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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

2.10 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the end of reporting period. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts due to their short-term nature.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

2.12 Income taxes

Tax expense comprises current and deferred tax. Tax expense is recognised in the profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Income taxes (continued)

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.13 Provisions

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

Provisions are reviewed at the end of reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Employee compensation

(a) Defined contribution plans

Contribution to post-employment benefits under defined contribution plans are recognised as an expense in profit or loss in the period during which the related services are rendered by employees.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of reporting period.

(c) Employee compensation scheme

The Company operates the following share-based employee compensation schemes: Ascendas Property Fund Trustee Pte Ltd ("APFT") Performance Unit Plan 2019, and APFT Restricted Unit Plan 2019 (collectively referred to as the "APFT Unit Plans").

For cash-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Employee compensation (continued)

(d) Share-based payment

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. The Group recognises the effect of modification that increase the total fair value of the share-based payment arrangement. The incremental fair value granted is included in the measurement of the amount recognised for services received over the period from modification date until the date when the modified equity instruments vest.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

2.15 Currency translation

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as FVOCI are recognised in other comprehensive income.

2.16 Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Share capital

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

2.18 Dividend

Interim dividends are recorded in the financial year in which the dividends are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. REVENUE

	2021 $'000	2020 $'000
Fund management fee from a-iTrust	**10,566**	9,955
Trustee fee from a-iTrust	**417**	395
Performance fee from a-iTrust	**5,974**	5,634
Acquisition fee from a- iTrust	**1,306**	33
	18,263	16,017

5. OTHER INCOME

	2021 $'000	2020 $'000
Distribution income from a- iTrust	**5,484**	3,193
Government grants	**33**	208
Interest income	**3**	7
	5,520	3,408

The Company has been awarded government grant under the Job Support Scheme as announced by the Government in the Singapore Budget 2020. The receipt of grant was conditional on payments of salaries to local employees and related Central Provident Fund contributions on those salaries have been paid.

6. EMPLOYEE COMPENSATION

	2021 $'000	2020 $'000
Salaries, wages and employee benefits	**5,339**	3,510
Employer's contributions to defined contribution plans including Central Provident Fund	**259**	248
	5,598	3,758

7. OTHER OPERATING EXPENSES

	2021 $'000	2020 $'000
Professional fees		
– related company	**2,273**	1,989
– non-related parties	**4**	19
Insurance	**81**	74
Directors' fees	**650**	229
Rental expenses recharged by a related company	**272**	275
Others	**145**	47
	3,425	2,633

8. TAX EXPENSES

(a) Income tax expenses

	2021 $'000	2020 $'000
Tax expense attributable to profit is made up of:		
Current tax expense		
– based on current year's results	**1,666**	1,678
– (over)/under provision in respect of prior years	**(15)**	91
	1,651	1,769
Deferred tax expense		
– origination and reversal of temporary differences	**(9)**	19
Income tax expenses recognised in profit or loss	**1,642**	1,788

8. TAX EXPENSES (continued)

(a) *Income tax expenses (continued)*

A reconciliation between tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2021 is as follows:

	2021 $'000	2020 $'000
Profit before tax	**14,107**	13,026
Income tax using the statutory tax rate of 17% (2020: 17%)	**2,398**	2,214
Effect of partial tax exemption	**(17)**	(17)
Tax effect of non-deductible expenses	**214**	43
Income not subject to tax	**(938)**	(543)
(Over)/under provision in respect of prior years	**(15)**	91
Income tax expenses recognised in profit or loss	**1,642**	1,788

(b) *Deferred tax assets*

	2021 $'000	2020 $'000
Plant and equipment	*****	(1)
Provisions	**11**	2
	11	1

Movements in the deferred tax account are as follows:

	Balance as at 1 January 2020 $'000	Recognised in profit or loss $'000	Balance as at 31 December 2020 $'000	Recognised in profit or loss $'000	Balance as at 31 December 2021 $'000
Plant and equipment	(1)	–	(1)	1	*****
Provisions	21	(19)	2	9	**11**
	20	(19)	1	10	**11**

* *Less than $1,000*

9. PLANT AND EQUIPMENT

Computers, furniture and equipment	2021 $'000	2020 $'000
Cost		
Balance at beginning of financial year	**49**	49
Additions	*****	8
Disposals	**(2)**	(8)
Balance at end of financial year	**47**	49
Accumulated depreciation		
Balance at beginning of financial year	**42**	42
Depreciation charge	**4**	8
Disposals	**(1)**	(8)
Balance at end of financial year	**45**	42
Net book value		
Balance at end of financial year	**2**	7
Balance at beginning of financial year	**7**	7

* *Less than $1,000*

10. INVESTMENT SECURITIES

	2021 $'000	2020 $'000
Balance at beginning of financial year	**85,024**	87,191
Fair value gain/(loss) recognised in equity (Note 16)	**2,561**	(9,030)
Additions	**7,952**	7,122
Disposals	**(318)**	(259)
Balance at end of financial year	**95,219**	85,024

11. TRADE AND OTHER RECEIVABLES

	2021 $'000	2020 $'000
Trade receivables		
– a-iTrust	**9,597**	8,415
Advances		
– other related company	**9,417**	4,514
Other receivables		
– a-iTrust	**–**	7
– other related companies	**56**	161
	56	168
	19,070	13,097

Trade receivables are non-interest bearing and are to be settled in the form of cash and/or units from a-iTrust as the Company elects. As at 31 December 2021, trade receivables arising from a-iTrust amounting to $4,420,000 (2020: $4,099,000) are arranged to be settled via the issuance of units by a-iTrust.

Advances to other related company is unsecured, bears interest rate of 0.01% to 0.09% (2020: 0.03% to 0.09%) per annum at the reporting date and is repayable on demand in cash. Interest rate is repriced on a monthly basis.

Other receivables from other related companies are unsecured, interest-free and repayable on demand in cash.

Expected credit losses

At the end of the reporting year, there is no allowance for doubtful debt arising from these outstanding balances as the ECL is immaterial.

12. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Cash at bank	**1,035**	1,074

13. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Current		
Trade Payable	**316**	–
Other payables		
– immediate holding company	**454**	–
– intermediate holding company	**513**	–
– a-iTrust	**46**	–
– other related companies	**280**	72
– GST payable	**178**	119
– non-related parties	**1,384**	908
	2,855	1,099
Accrued operating expenses	**706**	339
	3,877	1,438

Other payables to immediate holding company, intermediate holding company, a-iTrust and other related companies are unsecured, interest-free and repayable on demand in cash.

Other payables to non-related parties represent mainly accrued employee bonus and sundry payables.

Included in accrued operating expenses is an amount of $650,000 (2020: $296,000) that relates to Directors' fees for the current financial year.

14. EMPLOYEE BENEFITS

	2021 $'000	2020 $'000
Current liability		
Employee benefits	**673**	206
Non-current liability		
Employee benefits	**626**	461
	1,299	667

The Ascendas Property Fund Trustee Pte. Ltd. ("APFT") Unit Plans were approved by the Board of Directors of the Company on 25 July 2019.

The Board of APFT has instituted a set of unit ownership guidelines for senior management who receive units under the APFT Unit Plans. Under these guidelines, members of the senior management team are required to retain a portion of the total number of units received under the APFT Unit Plans, which will vary according to their respective job grade and salary.

During the financial year ended 31 December 2021, APFT recognised share-based expenses in relation to the APFT Unit Plans of $824,000 (2020: $574,000) in the profit or loss.

14. EMPLOYEE BENEFITS (continued)

APFT Performance Unit Plan 2019

This relates to compensation costs of the Company's Performance Unit Plan that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined relative total unitholder return targets over a three-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 200% of the baseline award could be released. Participants received fully paid units at no costs upon vesting.

APFT Restricted Unit Plan 2019

This relates to compensation costs of the Restricted Unit Plans of APFT that reflects the benefits accruing to the participants over the service period to which the performance criteria relate.

The final number of units to be released will depend on the achievement of pre-determined distribution per unit and net property income targets over a one-year performance period. No unit will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, up to a maximum of 150% of the baseline award could be released. The units will vest over three years. Participants receive fully paid units at no cost upon vesting. An additional number of units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed forgone due to the vesting mechanism of the Restricted Unit Plan, will also be released upon the final vesting.

Units vested to participants will be delivered using existing units held by the Company. No new units will be issued by a-iTrust to meet the obligations under the APFT Unit Plans.

During the year ended 31 December 2021, 186,936 units amounting to $182,000 (2020: 157,635 units, $148,000) were issued to employees as part of the APFT Unit Plans.

Share Plans of the CapitaLand Group Pte. Ltd.

The Group's employees participate in the share-based incentive plans of the Company's intermediate holding company, CapitaLand Group Pte. Ltd. which comprise the Performance Share Plan and Restricted Share Plan. The Share Plans are administered by CapitaLand Group Pte. Ltd.'s Executive Resource and Compensation Committee (CL ERCC).

Pursuant to the Internal Restructuring, CL ERCC has approved the following for the unvested CL Share Plans:

(a) All outstanding contingent CL PSP awards granted to the employees were vested at a maximum of 200% of the baseline awards and employees will receive in lieu of the CapitaLand Group Pte. Ltd.'s shares, award under CLI Share Plan in accordance with a conversion ratio and released in accordance with the original vesting schedule.

(b) Finalised CL RSP awards will be cash-settled based on the implied value of S$4.102 per CL shares. Awards for the Contingent CL RSP awards has been finalised at a maximum of 150% of the baseline awards based on the same implied value. The cash payment will be released to eligible employees according to the original vesting schedule of respective CL RSP award.

Accordingly, all awards under CL PSP 2020 and CL RSP 2020 were cancelled during the year.

14. EMPLOYEE BENEFITS (continued)

CapitaLand Restricted Share Plans – Equity-settled/Cash-settled

This relates to compensation costs of the CapitaLand Group Pte Ltd's RSP 2010 and RSP 2020 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Following the Internal Restructuring, the existing unvested equity-settled awards granted under the CapitaLand Group Pte. Ltd.'s RSP 2010 and RSP 2020 were converted to cash-settled share-based awards. The date of modification to the CapitaLand Restricted Share Plans was on 1 October 2021 and the awards will be released in accordance with the original vesting schedule of the awards granted pursuant to the CapitaLand Group Pte. Ltd.'s RSP 2010 and RSP 2020 awards.

All contingent RSP award outstanding as of 1 October 2021 has been finalised at a maximum of 150% of the baseline awards based on the same implied value of $4.102 per share.

Due to the modification of the share plan, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the grant date until the date when the RSP awards are vested and will be amortised to profit or loss accordingly over the remaining vesting period.

Movements in the number of shares outstanding under CL Restricted Share Plans were summarised below:

	2021 ('000)
At 1 January	–
Granted/Modified on 1 October	34
Lapsed/Cancelled	–
At 31 December	34

Pursuant to the Internal Restructuring, there was no share of contingent CL RSP vested and became cash-settled.

The fair values of the shares granted to employees are determined using Discounted Cashflow method at the measurement date. The fair values and assumptions are set out below:

Year of award	2021	2020
Weighted average fair value of shares and assumptions		
Weighted average fair value at measurement date	**$3.52**	$2.60
Share price at grant date	**$3.77**	$2.72
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	**0.42% to 0.72%**	0.22% to 0.37%

14. EMPLOYEE BENEFITS (continued)

Share Plans of the CapitaLand Investment Limited

The Share Plans are administered by CapitaLand Investment Limited's Executive Resource and Compensation Committee (CLI ERCC).

The CLI Performance Share Plan 2021 (CLI PSP) and CLI Restricted Share Plan 2021 (CLI RSP) were approved on 17 July 2021. The duration of each share plan is 10 years commencing on 1 September 2021.

The CLI ERCC has instituted a set of share ownership guidelines for members of senior management who receive shares under the CLI RSP and CLI PSP. Under these guidelines, members of senior management are required to retain a portion of the total number of CLI shares received under the aforementioned share-based plans, which will vary according to their respective job grade and salary.

Founders Performance Share Plan (Founders PSP)

This relates to the compensation costs of the Company's Founder PSP granted under CLI PSP 2021 reflecting the benefits accruing to the employees over the service period to which the performance criteria relate.

Movements in the number of shares outstanding under Founders PSP were summarised below:

	2021 ('000)
At 1 January	–
Granted/Modified on 1 October	354
At 31 December	354

The final number of shares to be released will depend on the achievement of pre-determined targets over a five-year performance period. No share will be released if the threshold targets are not met at the end of the performance period. Conversely, if superior targets are met, more shares than the baseline award could be delivered up to a maximum of 300% of the baseline award. The CLI ERCC has the discretion to adjust the number of shares released taking into consideration other relevant quantitative and qualitative factors.

Recipients can receive fully paid shares, their equivalent cash value or combinations thereof, at no cost.

The fair values of the shares are determined using Monte Carlo simulation method which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory at measurement date. The fair values and assumptions are set out below:

Year of award	2021
Weighted average fair value of shares and assumptions	
Expected volatility of Company's share price based on 36 months closing share price prior to grant date	24.20%
Average volatility of companies in the peer group based on 36 months prior to grant date	26.41% to 26.43%
Share price at grant date	$3.34 to $3.46
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	0.86% to 1.32%
Expected dividend yield over the vesting period	3.66% to 3.71%
Net Asset Value per share (P/ NAV)	$2.82 to $3.99

15. SHARE CAPITAL

The Company's share capital comprises fully-paid up 1,000,000 (2020: 1,000,000) ordinary shares with no par value, amounting to a total of $1,000,000 (2020: $1,000,000).

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

16. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes of financial assets at FVOCI.

17. DIVIDENDS

	2021 $'000	2020 $'000
Declared and paid/payable during the financial year		
Dividends on ordinary shares:		
– Final tax exempt (one-tier) dividend for financial year ended 31 December 2020 paid/payable of $2.00 (2020: dividend for financial year ended 31 December 2019 paid/payable of $2.00) per share	**2,000**	2,000
Proposed but not recognised as a liability as at end of year		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– Final tax exempt (one-tier) dividend proposed in respect of the financial year of $2.00 (2020: $2.00) per share	**2,000**	2,000

18. RELATED PARTY TRANSACTIONS

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

	2021 $'000	2020 $'000
<u>Directors:</u>		
– Directors' fees	**650**	353
Key management personnel compensation (excluding Directors' fees)		
– salaries and other employee benefits	**2,114**	1,908
– contribution to CPF	**37**	35
– share-based compensation benefits*	**557**	407
	2,708	2,350

* Payable by the Company in the form of units in Ascendas India Trust under the APFT Unit Plans.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's risk management approach seeks to minimise the potential material adverse effects from these exposures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will have on the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Currency risk

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

(ii) Equity price risk

The Company has investments in equity securities at FVOCI and is exposed to equity price risk. These securities are listed on Singapore Stock Exchange.

Sensitivity analysis for price risk

If prices for the equity securities listed in Singapore change by the percentages indicated below with all other variables including tax rates being held constant, the effects on profit after tax and equity will be as follows:

	2021		2020	
	Profit After Tax $'000	**Equity $'000**	Profit After Tax $'000	Equity $'000
Equity securities				
Listed in Singapore				
– increased by 10% (2020: 14%)	–	**9,522**	–	11,903
– decreased by 10% (2020: 14%)	–	**(9,522)**	–	(11,903)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) *Market risk (continued)*

(iii) *Interest rate risk*

The Company's exposure to market risk for changes in interest rates relates primarily to its interest-bearing advance to related company.

The Company's policy on interest rate management follows that of its intermediate holding company, CapitaLand Investment Limited. CapitaLand Investment Limited manages the interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. It actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2021	2020
	$'000	$'000
Variable rate instruments		
Advance to related company	**9,417**	4,514

Cash flow sensitivity analysis for variable rate instruments

A change of 5 basis points (2020: 100 basis points) in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumed that all other variables remain constant.

	Profit or loss	
	5 bp increase	**5 bp decrease**
	$'000	**$'000**
2021		
Variable rate instruments		
Advance to related company	**5**	**(5)**

	Profit or loss	
	100 bp increase	100 bp decrease
	$'000	$'000
2020		
Variable rate instruments		
Advance to related company	**45**	(45)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and of high credit standing.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of that class of financial instruments presented on the balance sheet.

For trade receivables, the Company adopts the policy of dealing only with customer of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Company considers that trade receivables from a-iTrust embodies low credit default probability as a-iTrust has a relatively healthy financial position and Management does not expect a-iTrust to fail to meet its obligations.

The Company assesses on a forward-looking basis the expected credit loss associated with all financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company considers that other receivables inherently embodies low credit risk as the Company deals only with high credit quality counterparties. Loss allowance on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The credit loss on these balances is subject to immaterial credit loss. Other receivables is written off when there is no reasonable expectation of recovery.

The Company held cash and cash equivalents of $1,035,000 at 31 December 2021 (2020: $1,074,000). Cash and cash equivalents are placed with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Excess cash in the Company will be transferred to a related company for efficient cash management. To meet payment obligations in a timely manner, the related company makes fund transfers back to the Company as and when the need arises.

The Company's policy on liquidity risk management follows that of its intermediate holding company, CapitaLand Investment Limited. CapitaLand Investment Limited actively manages the debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met.

The table below analyses the maturity profile of the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year $'000	After 1 year but within 5 years $'000	Total $'000
2021			
Trade and other payables*	**3,699**	**–**	**3,699**
2020			
Other payables*	1,319	–	1,319

* Excludes GST payables.

(d) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the debt equity ratio, which is calculated as total external borrowings divided by total equity. As at end of reporting period, the Company does not have any external borrowings.

The Company is not subject to any externally imposed capital requirements for the financial year ended 31 December 2021.

20. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

The Company categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used. The different levels have been defined as follows:

(i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) *Assets measured at fair value*

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

	Level 1 $'000
Assets	
2021	
Financial assets	
Equity securities at FVOCI	
– Quoted equity securities	**95,219**
2020	
Financial assets	
Equity securities at FVOCI	
– Quoted equity securities	85,024

The carrying amounts of financial instruments with a maturity of less than one year approximate their fair values because of the short period to maturity. The carrying amounts of other financial assets and liabilities at amortised cost are a reasonable approximation of fair value.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There was no transfer between levels in the fair value hierarchy during the year.

21. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 24 February 2022.

AS AT 28 FEBRUARY 2022

ISSUED AND FULLY PAID UNITS

1,157,269,024 Units (voting rights: 1 vote per Unit)
Market Capitalisation: S$1,377,150,138 (based on closing Unit price of S$1.19 as at 28 February 2022)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	20	0.20	350	0.00
100 – 1,000	4,080	41.67	3,951,603	0.34
1,001 – 10,000	3,684	37.63	20,045,294	1.73
10,001 – 1,000,000	1,981	20.23	86,910,498	7.51
1,000,001 and above	26	0.27	1,046,361,279	90.42
Total	**9,791**	**100.00**	**1,157,269,024**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	9,524	97.27	1,150,873,624	99.45
Malaysia	121	1.24	3,092,700	0.27
Others	146	1.49	3,302,700	0.28
Total	**9,791**	**100.00**	**1,157,269,024**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Raffles Nominees (Pte.) Limited	187,436,863	16.20
2	CLI India Pte. Ltd.	183,279,388	15.84
3	DBS Nominees (Private) Limited	181,695,560	15.70
4	Citibank Nominees Singapore Pte Ltd	163,667,929	14.14
5	HSBC (Singapore) Nominees Pte Ltd	85,616,369	7.40
6	Ascendas Property Fund Trustee Pte. Ltd.	70,245,846	6.07
7	DBSN Services Pte. Ltd.	65,596,909	5.67
8	BPSS Nominees Singapore (Pte.) Ltd.	42,792,272	3.70
9	DBS Vickers Securities (Singapore) Pte Ltd	18,200,400	1.57
10	OCBC Securities Private Limited	10,239,500	0.88
11	ABN AMRO Clearing Bank N.V.	5,205,700	0.45
12	Phillip Securities Pte Ltd	4,844,250	0.42
13	Nomura Singapore Limited	3,533,000	0.31
14	iFAST Financial Pte. Ltd.	3,336,200	0.29
15	DB Nominees (Singapore) Pte Ltd	2,576,400	0.22
16	CGS-CIMB Securities (Singapore) Pte. Ltd.	2,068,393	0.18
17	Yim Chee Chong	2,039,000	0.18
18	OCBC Nominees Singapore Private Limited	1,980,600	0.17
19	Maybank Securities Pte. Ltd.	1,759,500	0.15
20	Chan Chiang Loke	1,751,000	0.15
	Total	**1,037,865,079**	**89.69**

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2022

Based on the Register of Directors' Unitholdings, the interests of Directors in Units and convertible securities issued by a-iTrust are as follows:

	No. of Units		Contingent Awards of Units[1] under the Trustee-Manager's	
Name of Director	Direct Interest	Deemed Interest	Performance Unit Plan	Restricted Unit Plan
Chiang Chie Foo	13,359	–	–	–
Sanjeev Dasgupta	130,979	–	0 to 812,180[2]	185,110[3,4] 0 to 216,465[2,4]
Alan Rupert Nisbet	–	11,880	–	–
Ernest Kan Yaw Kiong	939	–	–	–
Tan Soon Neo Jessica	1,067	–	–	–
Jonathan Yap Neng Tong	500,000	150,000	–	–

Notes:
1 This refers to the number of Units which are the subject of contingent awards granted but not released under Trustee-Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.
2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for PUP and RUP.
3 Being the unvested Units under the RUP.
4 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RUP, will also be released.

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 28 FEBRUARY 2022

Based on the information available to the Trustee-Manager as at 28 February 2022, the unitholdings of Substantial Unitholders of a-iTrust are as follows:

Name of Substantial Unitholder	Direct	Deemed	Total	%[1]
Temasek Holdings (Private) Limited[2] ("Temasek")	–	253,525,234	253,525,234	21.90
Tembusu Capital Pte. Ltd.[2] ("Tembusu")	–	253,525,234	253,525,234	21.90
Bartley Investments Pte. Ltd.[2] ("Bartley")	–	253,525,234	253,525,234	21.90
Mawson Peak Holdings Pte. Ltd.[2] ("Mawson")	–	253,525,234	253,525,234	21.90
Glenville Investments Pte. Ltd.[2] ("Glenville")	–	253,525,234	253,525,234	21.90
TJ Holdings (III) Pte. Ltd.[2] ("TJHIII")	–	253,525,234	253,525,234	21.90
CLA Real Estate Holdings Pte. Ltd.[3] ("CLA")	–	253,525,234	253,525,234	21.90
CapitaLand Group Pte. Ltd.[3] ("CLG")	–	253,525,234	253,525,234	21.90
CapitaLand Investment Limited[4] ("CLI")	–	253,525,234	253,525,234	21.90
CLI India Pte. Ltd.[4] ("CLII")	183,279,388	–	183,279,388	15.83
CLI FM Pte. Ltd.[4] ("CLIFM")	–	70,245,846	70,245,846	6.06
Ascendas Property Fund Trustee Pte. Ltd.[4] ("APFT")	70,245,846	–	70,245,846	6.06
Matthews International Capital Management, LLC[5] ("MICM")	–	63,162,700	63,162,700	5.45
Matthews International Funds[5] ("MIF")	–	58,759,600	58,759,600	5.07
Kabouter Management, LLC[6] ("KM")	9,073,188	65,604,697	74,677,885	6.45
Kabouter International Opportunities Fund II, LLC	63,325,433	–	63,325,433	5.47

Notes:
1 The percentage is based on 1,157,269,024 Units in issue as at 28 February 2022. The figures are rounded down to the nearest 0.01%.
2 Each of Temasek, Tembusu, Bartley, Mawson, Glenville, TJHIII is deemed to have an interest in the Units in which CLA is deemed to have an interest, by virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Temasek holds 100% equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJHIII, which holds 100% equity interest in CLA.
3 CLA holds 100% equity interest in CLG. CLG holds approximately 52.38% of the issued shares in CLI. CLG is deemed to have an interest in the Units in which CLI is deemed to have an interest, by virtue of Section 4 of the SFA.
4 CLI, through its subsidiaries CLII and CLIFM, is deemed to have an interest in the Units held by CLII and APFT, by virtue of Section 4 of the SFA. CLIFM is deemed to have an interest in the Units held by APFT, by virtue of Section 4 of the SFA. CLIFM is a subsidiary of CLI and holds 100% equity interest in APFT.
5 MICM is a USA-registered investment advisor and MIF is a USA-registered business trust. MICM acts as an investment advisor to MIF and its other clients. MICM has discretionary authority over its clients' Units.
6 KM is deemed interested in the Units held through funds managed by KM.

PUBLIC FLOAT

Based on the information available to the Trustee-Manager, approximately 66.11% of the Units in a-iTrust were held in the hands of the public as at 28 February 2022. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Glossary

ACRA	Accounting and Corporate Regulatory Authority
Adjusted EBITDA	Earnings Before Interest Expenses, Tax, Depreciation and Amortisation (excluding gains/losses from foreign exchange translation and mark-to-market revaluation from settlement of loans). Earnings include interest income.
AGM	Annual General Meeting
AIGP	Ascendas India Growth Programme
AITPCL	Ascendas IT Park (Chennai) Limited
AIFMR	United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended)
a-iTrust/the Trust	Ascendas India Trust
APFT/Trustee-Manager	Ascendas Property Fund Trustee Pte. Ltd.
ARC	Audit and Risk Committee
Arshiya Panvel	Arshiya Panvel warehouses/Arshiya Free Trade Warehousing Zone, Panvel
ASB FS	Ascendas-Firstspace
ASIPL/Property Manager	Ascendas Services (India) Private Limited
aVance Hyderabad	aVance, HITEC City, Hyderabad
aVance Pune	aVance Hinjawadi, Pune
Board	Board of Directors
BCP	Business Continuity Plan
BSBP	Balanced Scorecard Bonus Plan
BT	Business Trust
BTA	Business Trusts Act
BTR	Business Trust Regulations
CAGR	Compound Annual Growth Rate
CapitaLand	CapitaLand Limited
CEO	Chief Executive Officer
CESTAT	Customs Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CGU	Cash Generating Units
CIS Code	Code on Collective Investment Schemes
CLI/Sponsor	CapitaLand Investment Limited
CLI IA	CLI's Internal Audit Department
Code	Code of Corporate Governance 2018
CP	CyberPearl, Hyderabad
CPF	Central Provident Fund
CPI	Consumer Price Index
CV	CyberVale, Chennai
CY	Calendar Year
DPU	Distribution per Unit
DSRPL	Datascape Realty Private Limited
ECL	Expected Credit Losses
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance
FBC	Fraud, Bribery and Corruption
FCCD	Fully & Compulsorily Convertible Debentures
FDI	Foreign Direct Investment
FTWZ	Free Trade Warehousing Zone
FY 16/17	Financial Year Ended 31 March 2017/Fiscal Year 2016/17
FY 17/18	Financial Year Ended 31 March 2018/Fiscal Year 2017/18
FY 18/19	Financial Year Ended 31 March 2019/Fiscal Year 2018/19
FY 19/20	Fiscal Year 2019/20
FY 20/21	Fiscal Year 2020/21
FY 21/22	Fiscal Year 2021/22
FY 22/23	Fiscal Year 2022/23
FY 23/24	Fiscal Year 2023/24
FY 2020	Financial Year Ended 31 December 2020 (from 1 January 2020 to 31 December 2020)
FY 2021	Financial Year Ended 31 December 2021
FY 2022	Financial Year Ended 31 December 2022
FY 2023	Financial Year Ended 31 December 2023
FY 2024	Financial Year Ended 31 December 2024
FY 2025	Financial Year Ended 31 December 2025
FY 2026	Financial Year Ended 31 December 2026
GDP	Gross Domestic Product
GFA	Gross Floor Area
GRI	Global Reporting Initiative
Group	a-iTrust and its subsidiaries
GST	Goods and Services Tax
HIPL	Hyderabad Infratech Pvt. Ltd.
HKD	Hong Kong Dollar
IC	Investment Committee
ICD	Inter-corporate deposit
ID	Independent Director
IGBC	Indian Green Building Council
IMF	International Monetary Fund
INR	Indian Rupee
IPT	Interested Person Transactions
IT	Information Technology
IT-BPM	Information Technology and Business Process Management
IT SEZ	Information Technology Special Economic Zone
ITES	Information Technology Enabled Services
ITPB	International Tech Park Bangalore
ITPC	International Tech Park Chennai, Taramani
ITPH	International Tech Park Hyderabad
ITPL	Information Technology Park Ltd
JPY	Japanese Yen
LEED	Leadership in Energy and Environmental Design
Listing Manual	The Listing Manual of SGX-ST
LOMA 1	Loma Co-Developers 1 Private Limited
MAS	Monetary Authority of Singapore
MAT	Minimum Alternative Tax
MTN	Medium Term Note
NAV	Net Asset Value
NCDs	Non-convertible Debentures
NCR	National Capital Region
NRC	Nominating & Remuneration Committee
PMA	Property Management Agreement
PSP	Performance Share Plan
PUP	Performance Unit Plan
RBI	Reserve Bank of India
RDB	Rupee Denominated Bond
REIT	Real Estate Investment Trust
ROFR	Right of First Refusal
RUP	Restricted Unit Plan
SBA	Super Built-up Area
SEZ	Special Economic Zone
SFA	Securities and Futures Act
SFRS(I)	Singapore Financial Reporting Standards (International)
SGD/S$	Singapore Dollar
SGX/SGX-ST	Singapore Exchange Securities Trading Limited
SPV	Special Purpose Vehicle
sq ft	Square foot/feet
Trust Deed	Trust deed constituting a-iTrust dated 7 December 2004 (as amended, varied or supplemented from time to time)
UK	United Kingdom
US/USA	United States of America
US$/ USD	United States Dollar
USGBC	U.S. Green Building Council
VAT	Value Added Tax
VITP	VITP Private Limited
WFH	Work From Home
YOY	Year-on-year

Contents

MARKET RESEARCH REPORT

India: Economic and Commercial Real Estate Overview

SOURCE: CBRE RESEARCH

INDIA POLICY OVERVIEW

Despite the COVID-19 pandemic, the Indian government has continued with its growth initiatives and also furthered its action plan to improve domestic manufacturing and India's export potential. In addition, the Reserve Bank of India (RBI) has taken several measures to improve the liquidity and stability of the financial system.

The following are the key highlights of significant reforms:

i. RBI Initiatives

RBI has taken numerous measures in response to COVID-19 with a special economic and comprehensive package equivalent to 10% of India's GDP, the 'Atmanirbhar Bharat Abhiyaan" (Self-reliant India campaign), announced in May 2020. RBI has permitted all lending institutions to allow a moratorium of six months on payment of instalments for all term loans outstanding as of March 2020. In May 2021, RBI announced the Resolution Framework – 2.0 in response to the resurgence of COVID-19 cases. The framework provided for payment rescheduling, revision to working capital sanctions and moratoriums of up to 2 years for term loans.

RBI also extended to 31 December 2021, the ability for banks to avail funds under the Marginal Standing Facility (MSF) by dipping into the Statutory Liquidity Ratio (SLR) up to an additional 1% of their net demand and time liabilities (NDTL), in other words, cumulatively up to 3% of NDTL. This move has been crucial in boosting market confidence and displayed the central bank's proactive stance in stabilising India's financial system amidst the pandemic.

ii. Real Estate Investment Trusts (REITs)

Since April 2015[1], the Indian government has allowed REITs as eligible financial instruments under the Foreign Exchange Management Act (FEMA). To promote REITs in India, the Indian Government has exercised various amendments to the Minimum Alternate Tax (MAT), including the exemption of capital gains tax during the exchange of shares in Special Purpose Vehicles (SPVs) with units of REITs. In the FY 21/22 Union Budget, the finance minister proposed an exemption on tax deducted at source for dividend payments to REITs by SPVs[2]. This move is expected to widen the investor base for REITs in India and increase investments in India's real estate sector in the long term.

iii. Special Economic Zones (SEZ) Act

The SEZ Act has been established since 2006 to promote the development of Special Economic Zones as export and manufacturing hubs. Under its provisions, the Act intends to boost the competitiveness of Indian exports and facilitate investments into India. The SEZ Sunset Clause, which resulted in new SEZ units being ineligible for direct tax benefits, was enforced in March 2020 to reflect progressive changes.

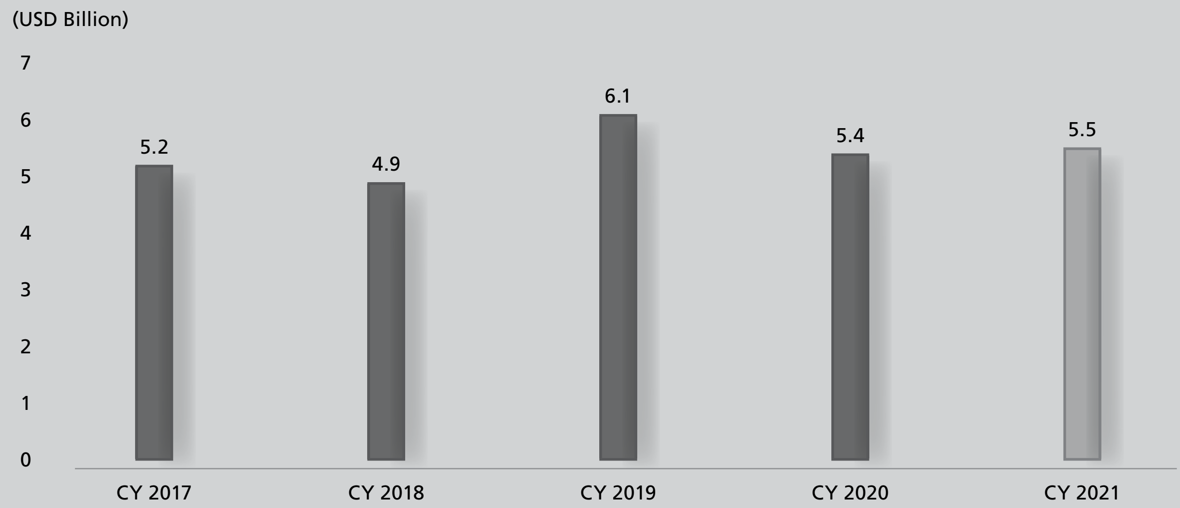
In Union Budget FY 22/23, an upcoming reform to the SEZ Act was announced. Expected to come into effect in September 2022, the reform will enable states to become partners in the development of enterprise and service hubs, across both existing and new industrial enclaves, while being compliant with WTO standards. The move is expected to boost the overall attractiveness of the SEZ space and support the growth of India's manufacturing sector.

1 Annual Report 2014-2015, RBI
2 Union Budget 2021-2022, Finance Bill

INDIA INVESTMENT OVERVIEW

India attracted cumulative Foreign Direct Investment (FDI) inflow of USD 806.7 billion[3] (INR 60.4 trillion)[4] from April 2000 to September 2021. This constitutes FDI equity inflows of USD 560.8 billion (INR 42.0 trillion), while the rest constituted reinvestment of retained earnings.

PRIVATE EQUITY INVESTMENT IN INDIA REAL ESTATE



Source: Real Capital Analytics, CBRE

USD 5.5 billion of institutional investments in real estate was recorded in 2021[5], a 2% increase as compared to 2020. The largest share of private equity investments was in development sites at 37%, followed by the office sector at 25%, and the industrial & logistics sector at 17%. The residential sector saw recovering investment interest to make up 8% share of private equity investments, as compared to 2% from a year ago. The remaining 13% of private equity investments were focused on mixed-use and hospitality assets.

3 Department of Promotion of Industry and Internal Trade (DPIIT), September 2021
4 USD = INR 74.83 as of 31 December 2021 - NSE
5 CBRE Research, 2021

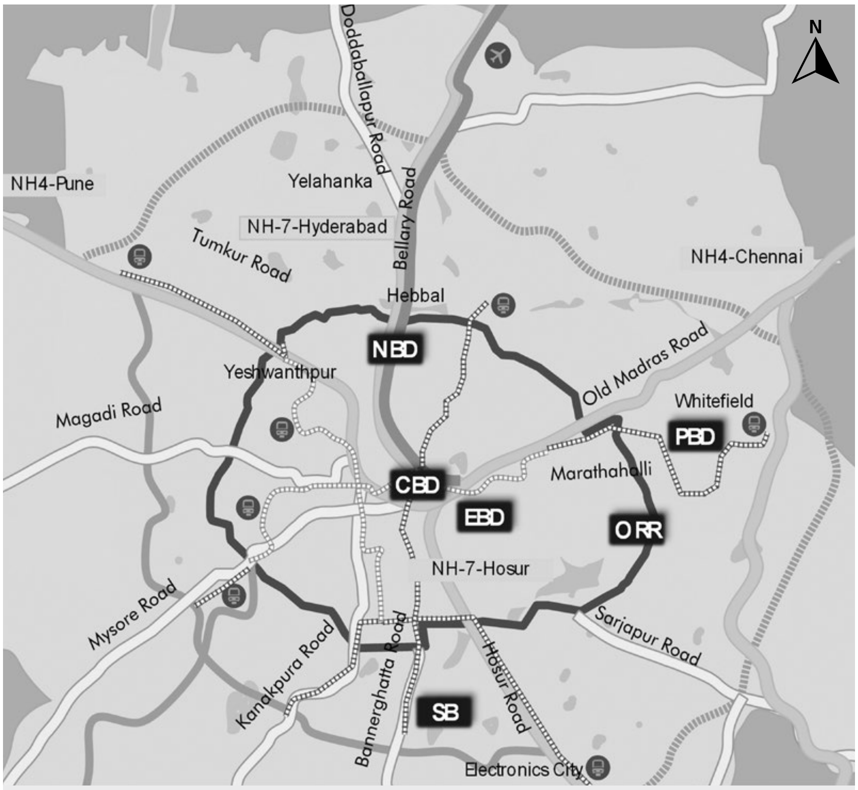
SOURCE: CBRE RESEARCH

CITY OVERVIEW

Known as the 'Silicon Valley' of India, Bangalore is the capital city and the main economic centre of Karnataka state. Ranked as the 8th leading technology innovation hub in the world[6], the city is recognised as Asia's 'Fastest growing Technopolis' and houses more than 1,000 start-ups. Bangalore has also emerged as a prominent hub for Research & Development in India, with reputed institutes like the Indian Institute of Science and Indian Space Research Organization having set their base in the city. The city is also the top software exporting city from India. Currently, the city is ranked 13th among the top 30 global cities attracting Foreign Direct Investment[7]. The city's flourishing IT and research and development sector has been a key enabler behind the city's real estate growth.

Over the years, large campus developments by prominent IT organisations spurned commercial activity while attracting smaller IT/ITES companies to follow, establishing the prominent micro-markets of the Central Business District (CBD), Extended Business District (EBD), South Bangalore and Whitefield.

The growth of Bangalore's commercial space sector is expected to continue given the expansion of global demand for information technology, proactive government policies and availability of talent. It is estimated that the main demand drivers will come from IT/ITES, aerospace research, biotechnology and established premier education institutions.



Map not to scale

6 2021 KPMG Technology Innovation Hub Report
7 fDi Global Cities of the Future 2021/22

SOURCE: CBRE RESEARCH

Bangalore Micro-market Classification and Key Commercial Hubs

Bangalore has been classified into different micro-markets based on the concentration and profile of development activity, as detailed below:

Micro-market	Locations Included	Description
Central Business District (CBD)	• MG Road • Richmond Road • St. Marks Road	• Established commercial hub of the city • Primarily houses non-IT tenants operating in R&D, telecom and BFSI • Prominent companies include E&Y, 3M and HSBC Bank • At the end of CY 2021, total Grade-A office stock in CBD is at 14.0 million sq ft • Vacancy at the end of CY 2021 was estimated at 11.7% • During CY 2021, CBD witnessed rentals in the range of INR 130-135 per sq ft per month
Extended Business District (EBD)	• Indira Nagar • Koramangala • Old Madras Road	• Spill over demand from CBD resulting from increased demand for commercial and residential spaces • Tenant profile characterised by a mix of IT and non-IT occupiers • Prominent companies include Intel, IBM and Goldman Sachs • At the end of CY 2021, total Grade-A office stock in EBD was at 25.4 million sq ft • Vacancy at the end of CY 2021 was estimated at 3.8% • During CY 2021, EBD witnessed rentals in the range of INR 115-120 per sq ft per month
South Bangalore (SBD)	• Bannerghatta Road • JP Nagar • Mysore Road	• Tenant profile primarily characterised by IT/ITES occupiers • Prominent companies include Honeywell, Mindtree and Oracle • At the end of CY 2021, total Grade-A office stock in SBD was at 9.2 million sq ft • Vacancy at the end of CY 2021 was estimated at 13.5% • During CY 2021, SBD witnessed rentals in the range of INR 70-75 per sq ft per month
Peripheral Business District (PBD – Whitefield)	• Whitefield (including Mahadevapura, EPIP Zone, Varthur, Brookefield)	• Tenant profile primarily characterised by IT/ITES occupiers • Prominent companies include Capgemini, TCS and Cognizant • At the end of CY 2021, total Grade-A office stock in PBD-Whitefield was at 39.2 million sq ft • Vacancy at the end of CY 2021 was estimated at 18.3% • During CY 2021, PBD-Whitefield witnessed rentals in the range of INR 50-55 per sq ft per month
Peripheral Business District (PBD – Others)	• Electronic City • Sarjapur Road • Jigani and Thanisandra	• IT/ITES hub of the city • Organised commercial developments that are mostly catered for IT/ITES • Prominent companies include Accenture, Paypal and Synechron • At the end of CY 2021, total Grade-A office stock in PBD-Others was estimated at 15.5 million sq ft • Vacancy at the end of CY 2021 was estimated at 21.7% • During CY 2021, PBD-Others witnessed rentals in the range of INR 40-45 per sq ft

SOURCE: CBRE RESEARCH

Micro-market	Locations Included	Description
Outer Ring Road (ORR)	• Marathahalli ORR • Sarjapur ORR	• Characterised by large Grade-A developments with superior infrastructure provisions • Prominent companies include TCS, AstraZeneca Pharma India and Valeo India • At the end of CY 2021, total Grade-A office stock in ORR was estimated at 59.2 million sq ft • Vacancy at the end of CY 2021 was estimated at 6.9% • During CY 2021, ORR witnessed rentals in the range of INR 90-95 per sq ft per month
North Bangalore (NBD)	• Nagavara ORR • Yeshwantpur • Bellary Road	• Organised commercial developments mostly IT/ITES in nature • Prominent companies include IBM, Alcatel Lucent and Philips • At the end of CY 2021, total Grade-A office stock in NBD was at 26.3 million sq ft • Vacancy at the end of CY 2021 was estimated at 20.0% • During CY 2021, NBD witnessed rentals in the range of INR 70-75 per sq ft per month

Source: CBRE Research

WHITEFIELD MICRO-MARKET OVERVIEW

Located in the eastern periphery of Bangalore, Whitefield has emerged as a prominent IT/ITES hub. As one of the most established commercial suburbs in Bangalore, Whitefield's commercial office market consists primarily of large-scale IT parks that house many built-to-suit solutions. Prominent commercial developments include ITPB, Brigade Tech Gardens and DivyaSree Techno Park.

The operation of the metro rail link from MG Road to Baiyappanahalli (Phase I) and the flyover on the Sai Baba Ashram Road have improved connectivity of the Whitefield micro-market. The extension of the metro line from Baiappanahalli to Whitefield, which is expected to be operational in a few years, will further improve the region's connectivity.

The Whitefield region is expected to continue being an attractive investment destination and witness strong demand levels across all real estate segments.

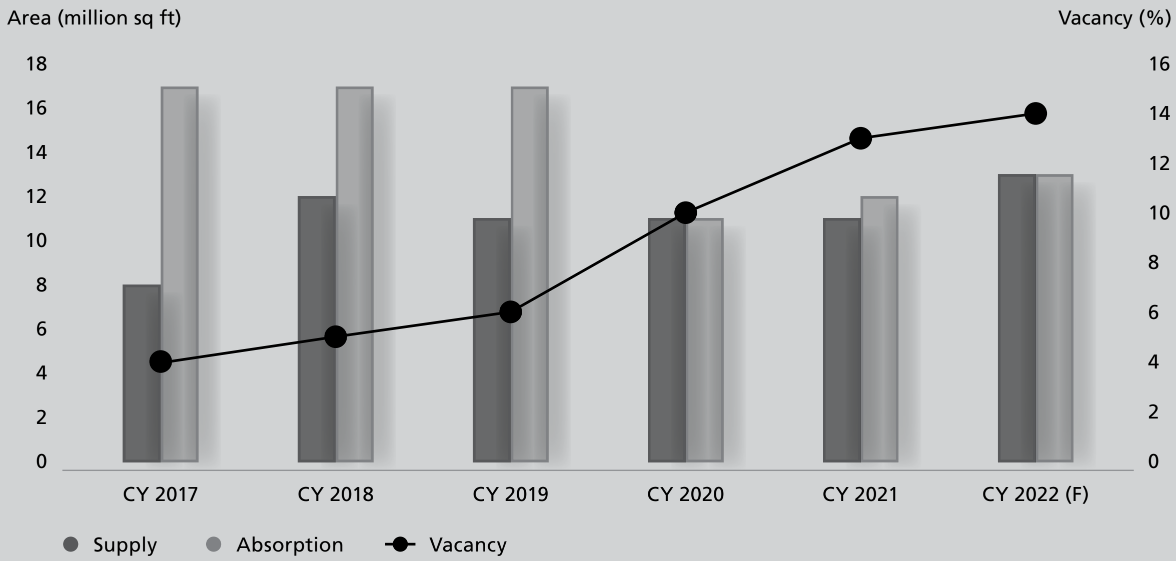
SUPPLY, ABSORPTION & VACANCY TRENDS: BANGALORE

Grade-A Office Stock Breakup	Bangalore	Whitefield
Total Completed Stock	188.8 million sq ft	39.2 million sq ft
Breakup – SEZ & Non SEZ	SEZ – 49.8 million sq ft Non SEZ – 139.0 million sq ft	SEZ – 11.5 million sq ft Non SEZ – 27.7 million sq ft

Source: CBRE Research

SOURCE: CBRE RESEARCH

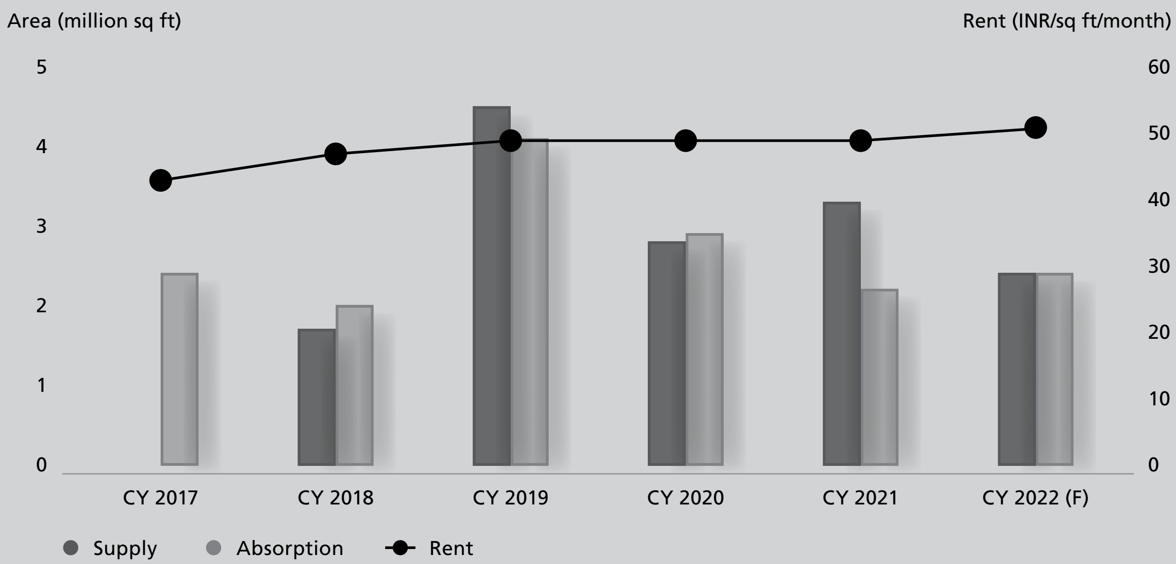
CITY – SUPPLY, ABSORPTION & VACANCY



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Vacancy accounts for the gap between cumulative stock and occupied space in the city at any given year and includes secondary spaces (if any) being generated due to churn in the market.

SUPPLY, ABSORPTION & RENTAL TRENDS: WHITEFIELD MICRO-MARKET

SUPPLY, ABSORPTION & RENTAL TRENDS FOR GRADE-A OFFICE IN WHITEFIELD



Source: CBRE Research.
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

ANALYSIS OF DEVELOPMENTS IN WHITEFIELD

Current Commercial Developments in Whitefield

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Brigade Tech Gardens (Four Towers)	Brigade Group	2020	1.8	77%	KPIT Cummins, First Source, Fossil
Brigade Southfield	Brigade Group	2020	0.4	Fully Occupied	ABB
Brigade Tech Gardens (Two Towers)	Brigade Group	2019	1.2	37%	Manhattan Associates, First Abu Dhabi Bank
Prestige Technostar	Prestige Group	2019	1.1	57%	PPD, Simpiwork
Bagmane Solarium City – Neon	Bagmane Developers	2019	0.8	15%	Cognizant, Baker Hughes, Exxon Mobil
DivyaSree Technopark	Divyasree	2019	0.5	Fully Occupied	Capgemini, Technicolor
Kalyani Platina – (Cedar, Pine Blocks)	Kalyani Developers	2019	0.4	27%	Birlasoft, KOCH, Cherryroad Technologies
DSR Techno Cube	DSR	2019	0.1	Fully Occupied	Smartworks, HTL Logistics

Source: CBRE Research

Upcoming Commercial Developments in Whitefield

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Bagmane Solarium City - Argon (North & South Tower)	Bagmane Developers	2022	1.1
Primeco Union City	SJR PrimeCorp	2022	1.0
Raheja Inorbit	K Raheja Corp	2022	0.7
MFAR Keystone	MFAR	2022	0.5
Kalyani Camellia	Kalyani Developers	2022	0.5
Capitol Towers	Sumadhura Group	2023	1.0

Source: CBRE Research

Current Retail Developments in Whitefield

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Forum Shantiniketan	Prestige Group	2018	0.6	10-15%	Cinepolis, Home Centre
Phoenix Market City	Phoenix	2011	0.9	5-10%	Marks and Spencer's, PVR
Forum Neighborhood Mall (Forum Value Mall)	Prestige Group	2009	0.2	10-15%	Inox and Unlimited

Source: CBRE Research

Upcoming Retail Developments in Whitefield

Building Name	Developer	Expected Completion	Leasable Area (million sq ft)
Brigade Uptown	Brigade Developers	2022	0.8

Source: CBRE Research

OUTLOOK

Over the past year, COVID-19 has adversely impacted both demand and supply of commercial office space in the city. Project delivery delays has slowed supply additions while demand is still approximately 28% lower than pre-COVID-19 demand levels in 2019. This can be attributed to nationwide lockdowns and adoption of hybrid working models by companies amidst the pandemic. However, Bangalore remains one of India's office demand drivers.

The demand outlook in Bangalore remains positive owing to attractive lease rental rates, improvements in social and physical infrastructure, proximity to the airport and the ongoing traction in India's mass vaccination drive. While absorption is expected to remain focused on Whitefield and ORR over the medium-term, an incremental shift towards locations such as EBD and North Bangalore is expected.

Grade-A office supply additions in the Whitefield market is expected to reach an estimated 6.7 million sq ft from 2022 to 2024, compared to the high supply additions experienced in the past two to three years. With the metro construction underway, the micro-market is expected to witness healthy occupier traction in the coming years with absorption expected at around 7-8 million sq ft and expected rentals in the range of INR 55-60 per sq ft per month.

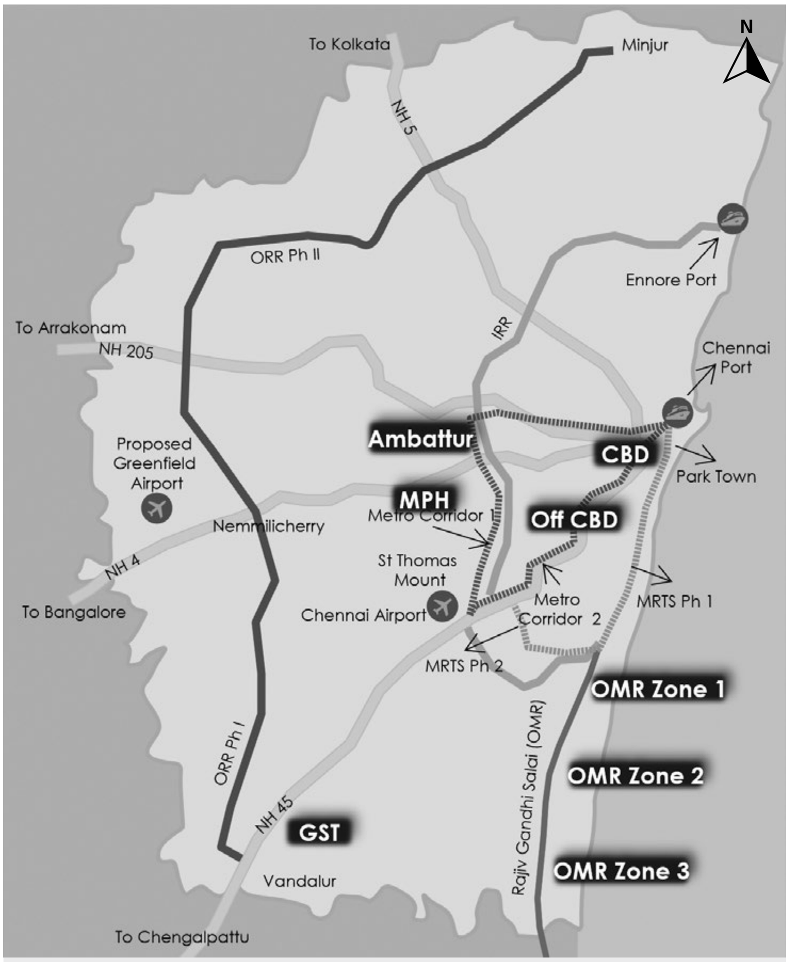
SOURCE: CBRE RESEARCH

CITY OVERVIEW

Chennai is the capital of the State of Tamil Nadu. It is the gateway to South India, famous for its traditional culture, temples and a long coastline. The urban population has increased steadily and is estimated at approximately 8.69 million[8].

Chennai is amongst the most developed cities in the country. Its primary economic drivers include the automobile, manufacturing and IT sectors. Some of the key industrial establishments in the city include Hyundai Motor Company, Saint Gobain Glass and TVS Industries. The city is also a popular destination for MNCs, with BMW, Flextronics, and Nissan establishing their large-scale manufacturing units over the years.

The city is also well known for its educational institutions, medical infrastructure, and high-quality manpower. With a key focus on infrastructure development, Chennai has established excellent connectivity to major business hubs through its development of road, rail, sea and air transport infrastructure, and remains an attractive destination for firms in the IT, engineering and manufacturing, and BFSI sectors.



Map not to scale

8 Source: Census 2011

Chennai Commercial Market Overview

SOURCE: CBRE RESEARCH

Chennai Micro-market Classification and Key Commercial Hubs

Chennai has been classified into different micro-markets based on the concentration and profile of development activity, as detailed below:

Micro-market	Locations Included	Description
Central Business District (CBD)	• Anna Salai • Nungambakkam High Road • Dr. Radhakrishnan Salai	• Preferred market for front end office for MNCs including FMCG firms, consultancy & home-grown corporates • High demand for flexible workspace solutions and fitted-out offices • Prominent companies include Cholamandalam Investment, Workafella and Work EZ • At the end of CY 2021, total Grade-A office stock in CBD was at 8.6 million sq ft • Vacancy at the end of CY 2021 was estimated at 21.2% • During CY 2021, CBD witnessed rentals in the range of INR 80-90 per sq ft per month
Secondary Business District (SBD)	• T. Nagar • Anna Nagar • Adyar	• Development in the region comprises of mix of Grade-A and Grade-B developments • Notable space occupiers in the zone include banks and financial institutions, insurance companies and automobile showrooms • Prominent companies include Estavia Infotech and Anasup Consulting • At the end of CY 2021, total Grade-A office stock in SBD was at 8.4 million sq ft • Vacancy at the end of CY 2021 was estimated at 11.4% • During CY 2021, SBD witnessed rentals in the range of INR 70-80 per sq ft per month
Peripheral Business District (PBD)	• Rajiv Gandhi Salai (OMR Zone 1, OMR Zone 2, OMR Zone 3) • Grand Southern Trunk Road (GST Road) • Perungudi	• Houses large-scale IT parks and SEZ developments • Prominent companies include Accenture, Tata Consultancy Services and Infosys • At the end of CY 2021, total Grade-A office stock in PBD was at 41.7 million sq ft • Vacancy at the end of CY 2021 was estimated at 18.0 % • During CY 2021, PBD witnessed rentals in the range of INR 35-95 per sq ft per month
Suburban Areas	• Velachery • Ambattur • Mount Poonamallee	• Primarily comprises of larger-sized Grade-A developments • IT/ITES companies and back-end operations of financial institutions are some of the notable occupiers in the zone • Prominent companies include Barclays, Citicorp and XM Software • At the end of CY 2021, total Grade-A office stock in Suburban areas was at 14.1 million sq ft • Vacancy at the end of CY 2021 was estimated at 20.5 % • During CY 2021, Suburban areas witnessed rentals in the range of INR 35-40 per sq ft per month

Source: CBRE Research

RAJIV GANDHI SALAI OVERVIEW

Also known as Old Mahabalipuram Road (OMR), the micro-market is approximately 45 km long and predominantly characterised by the presence of numerous IT parks and campuses of large IT corporates. The market has evolved into one of the most preferred office space locations for the IT/ITES segment. This has resulted in the concentration of prominent IT/ITES and SEZ developments including ITPC, Ramanujan IT SEZ (TRIL IT Park) and Brigade WTC. Strong occupier interest is expected to continue in this micro-market due its location and high-quality spaces.

GRAND SOUTHERN TRUNK (GST) ROAD OVERVIEW

Also known as National Highway 32 (NH-32), the GST road is characterised by the presence of large industrial and IT developments including Mahindra World City, SIDCO Maraimalai Nagar Industrial Estate, and Shriram Gateway.

The micro-market comprises of three major SEZ sectors: IT services and manufacturing, auto ancillaries, and apparel and fashion. Prominent occupiers in these SEZ sectors include Infosys Technologies, TVS and Roverco Apparels. The micro-market also includes a Domestic Tariff Area (DTA) with prominent occupiers like BMW India, Mahindra & Mahindra, and Lincoln Electric.

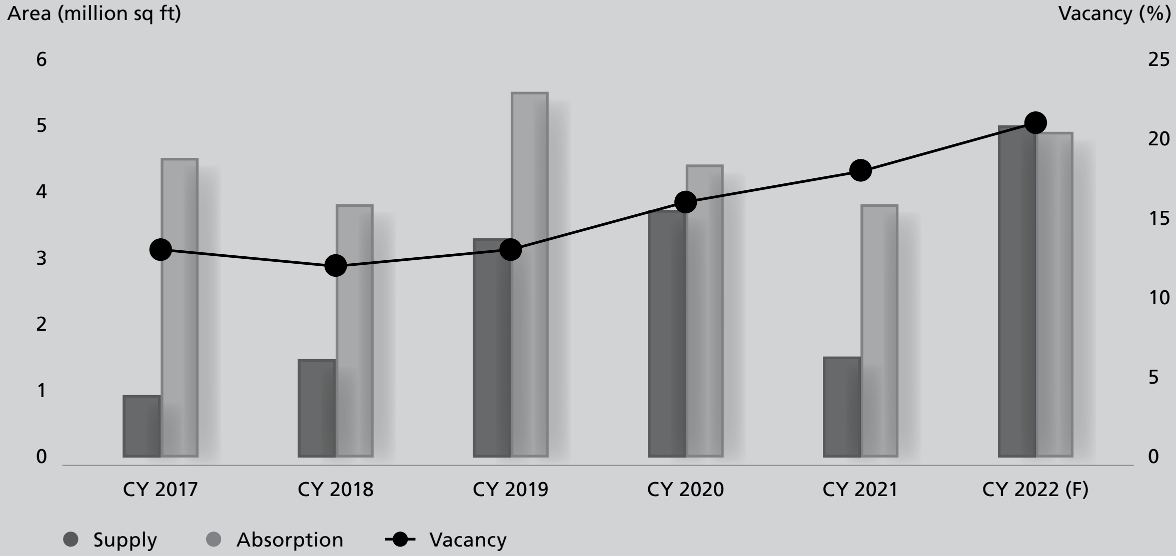
SUPPLY, ABSORPTION & VACANCY TRENDS: CHENNAI

Grade-A Office Stock Breakup	Chennai	Rajiv Gandhi Salai	GST Road
Total Completed Stock	72.8 million sq ft	38.1 million sq ft	3.5 million sq ft
Breakup – SEZ & Non SEZ	SEZ – 24.7 million sq ft Non SEZ – 48.1 million sq ft	SEZ – 13.7 million sq ft Non SEZ – 24.5 million sq ft	SEZ – 3.4 million sq ft Non SEZ – 0.1 million sq ft

Source: CBRE Research

SOURCE: CBRE RESEARCH

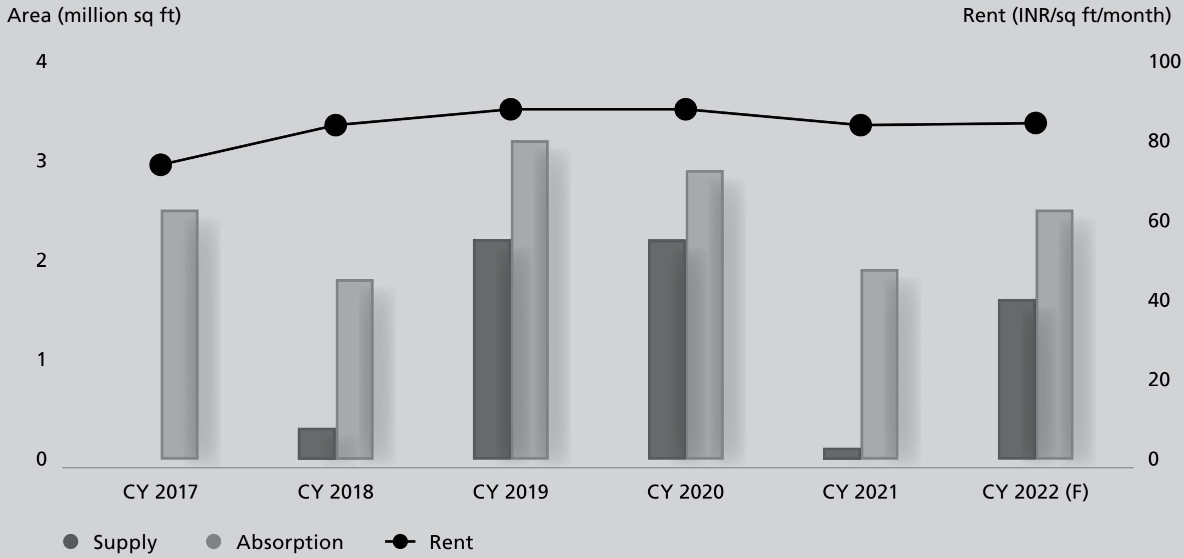
CITY – SUPPLY, ABSORPTION & VACANCY



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Vacancy accounts for the gap between cumulative stock and occupied space in the city at any given year and includes secondary spaces (if any) being generated due to churn in the market.

SUPPLY, ABSORPTION & RENTAL TRENDS: RAJIV GANDHI SALAI MICRO-MARKET

SUPPLY, ABSORPTION & RENTAL TRENDS FOR GRADE-A OFFICE IN RAJIV GANDHI SALAI

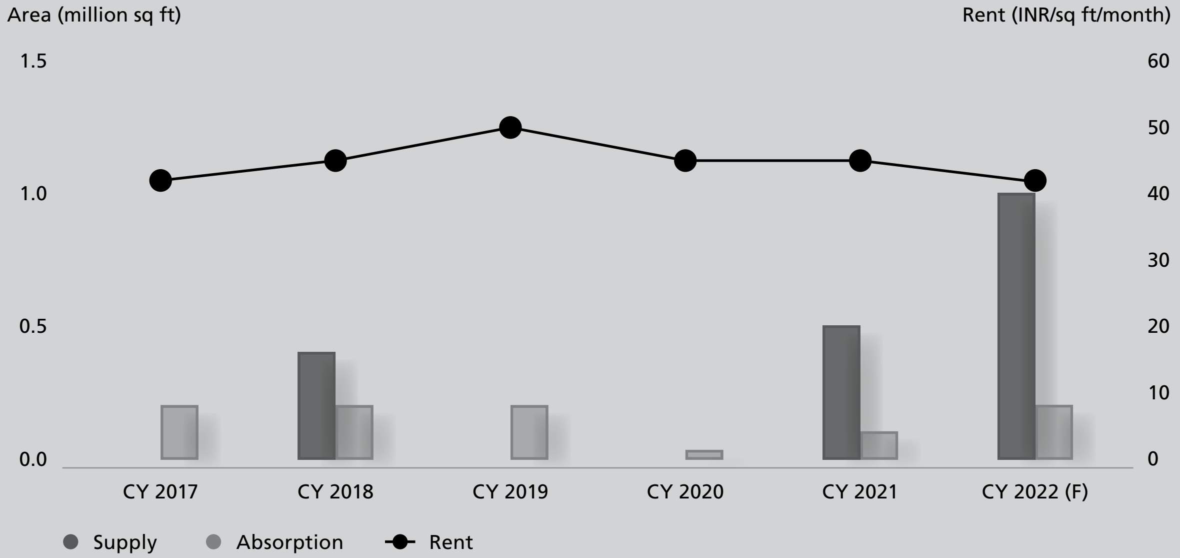


Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

SOURCE: CBRE RESEARCH

SUPPLY, ABSORPTION & RENTAL TRENDS: GST MICRO-MARKET

SUPPLY, ABSORPTION & RENTAL TRENDS FOR GRADE-A OFFICE IN GST ROAD



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

ANALYSIS OF DEVELOPMENTS IN RAJIV GANDHI SALAI AND GST ROAD

Current Commercial Developments in Rajiv Gandhi Salai and GST Road

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Gateway IT Park	Xander Group	2008-21	2.6	36.5%	Accenture, Tech Mahindra Satyam, Redington
World Trade Centre	Brigade Group	2020	2.1	34.0%	McKinsey, Caterpillar
TRIL Infopark Ltd	Tata Realty	2016	4.5	5.5%	TCS, Amazon, Cognizant
Global Infocity	Shapoorji and Pallonji	2015	2.6	13.0%	HSBC, Amazon, Freshworks
Millennia Business Park I & II	Brookfield	2009	1.5	18.7%	Verizon, Aviva, Omega Health

Source: CBRE Research

Upcoming Commercial Developments in Rajiv Gandhi Salai

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)
Embassy Splendid Techzone – Block 10, 4,1	Embassy Group	2022	1.7
K Raheja - Block 1,2,3	K Raheja Corp	2023	2.3
DLF Downtown - Phase I,II,III	DLF	2023-24	2.8

Source: CBRE Research

Upcoming Commercial Developments in GST Road

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)
Gateway IT Park – A2 & A3	Xander Group	2022	1.0

Source: CBRE Research

OUTLOOK

Chennai's office market has observed a slowdown in both absorption and supply, attributed to a reduction in leasing activity and delayed project completions from the second wave of COVID-19 cases. However, both supply and demand are expected to recover in the short term. IT companies, engineering & manufacturing firms and BFSI companies, which accounted for almost 74% of the overall leasing activity in 2021, will be key sectors driving demand. The micro-markets of OMR 1 and Mount Poonamallee Road witnessed significant commercial activity, making up approximately 28% of overall absorption in Chennai in 2021. Majority of future leasing activity is expected to continue in these suburban non-SEZ micro-markets, driven by more cost-effective and larger-sized options. In 2022, supply additions are expected to increase to about 5.0 million sq ft while absorption is expected to reach 4.9 million sq ft.

Rajiv Gandhi Salai: Rajiv Gandhi Salai, also known as Old Mahabalipuram Road (OMR), continues to be an attractive market for IT companies, with developments located along the stretch witnessing growing demand. OMR Zone 1 is expected to witness a fresh supply of commercial offices. This is expected to increase vacancy levels to between 16-18% in the short to medium term. However, the rental values in OMR Zone 1 are expected to remain stable in the range of INR 90-95 per sq ft per month.

GST Road: GST Road is expected to witness a limited supply of new commercial office spaces in the short to medium term despite the availability of developable land parcels, owing to a subdued market demand. Given a slowdown in both supply and absorption, rental values are expected to remain stable across SEZ and non-SEZ segments till the end of 2022 in the range of INR 40-45 per sq ft per month.

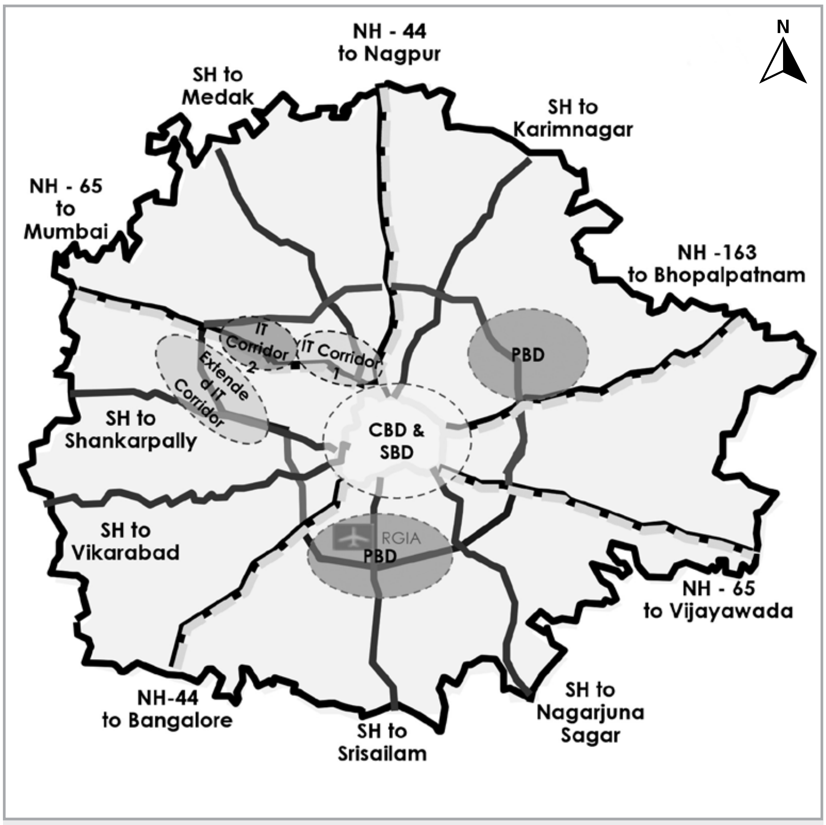
SOURCE: CBRE RESEARCH

CITY OVERVIEW

Hyderabad[9] is the common capital for the states of Andhra Pradesh and Telangana. The total area covered under the Hyderabad Metropolitan Development Authority (HMDA) is approximately 7,228 sq km. The city enjoys excellent connectivity to other major cities through three National Highways and a grid of State Highways.

Hyderabad witnessed greater political stability and accelerated growth after the creation of the new state of Telangana. Its investor-friendly climate coupled with the city's strengths as a prominent IT hub, a strong institutional base and a young demographic population, has propelled economic growth for the city.

The process and plan to develop infrastructure of the city has been initiated over two decades ago which helped enable the infrastructure to support real estate activity and allowed the city to emerge as a major IT/ITES destination in India.



Map not to scale

9 Area notified as the Greater Hyderabad Municipal Corporation under the Hyderabad Municipal Corporation Act, 1955 is the common capital for both the Telangana and Andhra Pradesh States.

Hyderabad micro-market classification and key commercial hubs

Hyderabad has been classified into different micro-markets based on the concentration and profile of development activity, as detailed below:

Micro-market	Locations Included	Description
Central Business District (CBD)	• Begumpet • Somajiguda	• Existing commercial hub of the city with primarily non-IT focused spaces • Characterised by low-rise, high-density developments with limited infrastructure provisions • Prominent companies include Karvy, Intergraph and PwC • At the end of CY 2021, total Grade-A office stock in CBD was at 5.3 million sq ft • Vacancy at the end of CY 2021 was estimated at 13.9% • During CY 2021, CBD witnessed rentals in the range of INR 50-55 per sq ft per month
Secondary Business District (SBD)	• Banjara Hills • Jubilee Hills • Ameerpet	• Primarily non-IT focused spaces characterised by low rise developments • Prominent companies include HCL, D.E. Shaw and Invecas Technologies • At the end of CY 2021, total Grade-A office stock in SBD was at 3.3 million sq ft • Vacancy in SBD at the end of CY 2021 was estimated at 20.9% • During CY 2021, SBD witnessed rentals in the range of INR 50-55 per sq ft per month
IT & Extended IT Corridor	• Kondapur • Madhapur • Gachibowli	• Alternate commercial hub of the city • Located towards the west of the city, the commercial activity primarily comprises of IT/ITES activity • Characterised by Grade-A developments with superior infrastructure provisions • Prominent companies include TCS, Accenture and IBM • At the end of CY 2021, total Grade-A office stock in IT & Extended IT Corridor was at 82.0 million sq ft • Vacancy at the end of CY 2021 was estimated at 14% • During CY 2021, IT & Extended IT Corridor witnessed rentals in the range of INR 60-75 per sq ft per month
Peripheral Business District (PBD)	• Uppal • Pocharam • Shamshabad	• Emerging hub for commercial activity • Prominent companies include Genpact, Cyient and Infosys • At the end of CY 2021, total Grade-A office stock in PBD was at 3.6 million sq ft • Vacancy at the end of CY 2021 was estimated at 58.4% • During CY 2021, PBD witnessed rentals in the range of INR 30-40 per sq ft per month

Source: CBRE Research

SOURCE: CBRE RESEARCH

MADHAPUR OVERVIEW

Located in West Hyderabad, Madhapur forms part of the Cyberabad region, a separate area earmarked for IT/ITES activity by the State Government. The area has attracted many global IT MNCs including Microsoft, Amazon and Google. Some of the prominent commercial developments in the market include ITPH, Raheja Group and Salarpuria Sattva.

Madhapur has witnessed total Grade-A commercial office supply of approximately 13.2 million sq ft in 2021. The micro-market is expected to record significant absorption in 2022, estimated at 14.1 million sq ft of Grade-A commercial office space.

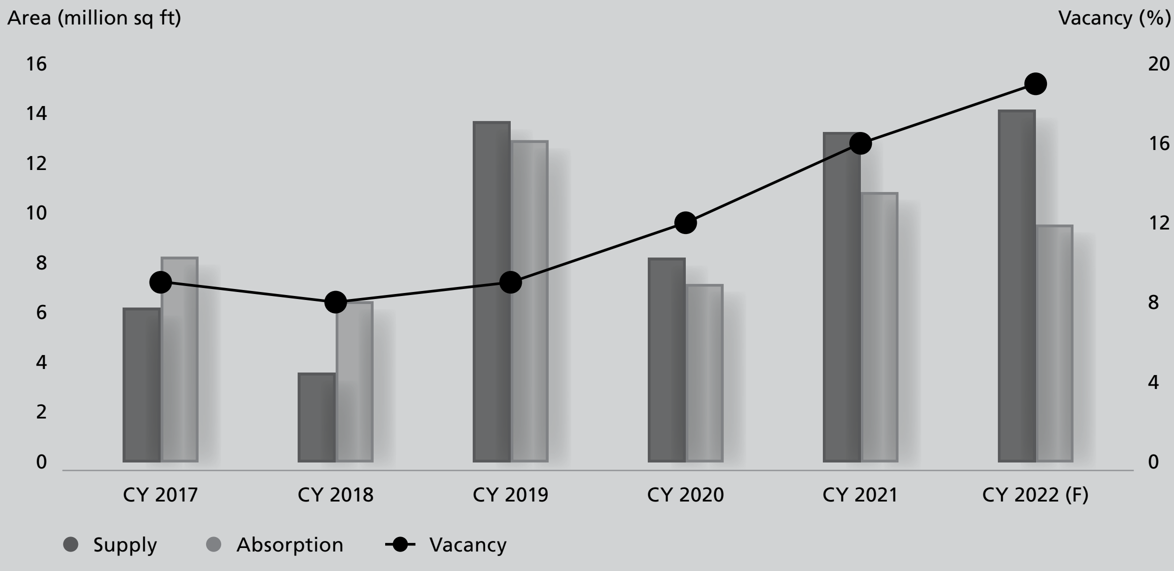
Positive performance of IT/ITES sector and emergence of Cyberabad as a prominent IT/ITES and institutional hub has also triggered significant activity levels across hospitality, retail & entertainment sectors.

SUPPLY, ABSORPTION & VACANCY TRENDS: HYDERABAD

Grade-A Office Stock Breakup	Hyderabad	Madhapur
Total Completed Stock	94.2 million sq ft	51.1 million sq ft
Breakup – SEZ & Non SEZ	SEZ – 31.9 million sq ft Non SEZ – 62.3 million sq ft	SEZ – 13.9 million sq ft Non SEZ – 37.2 million sq ft

Source: CBRE Research

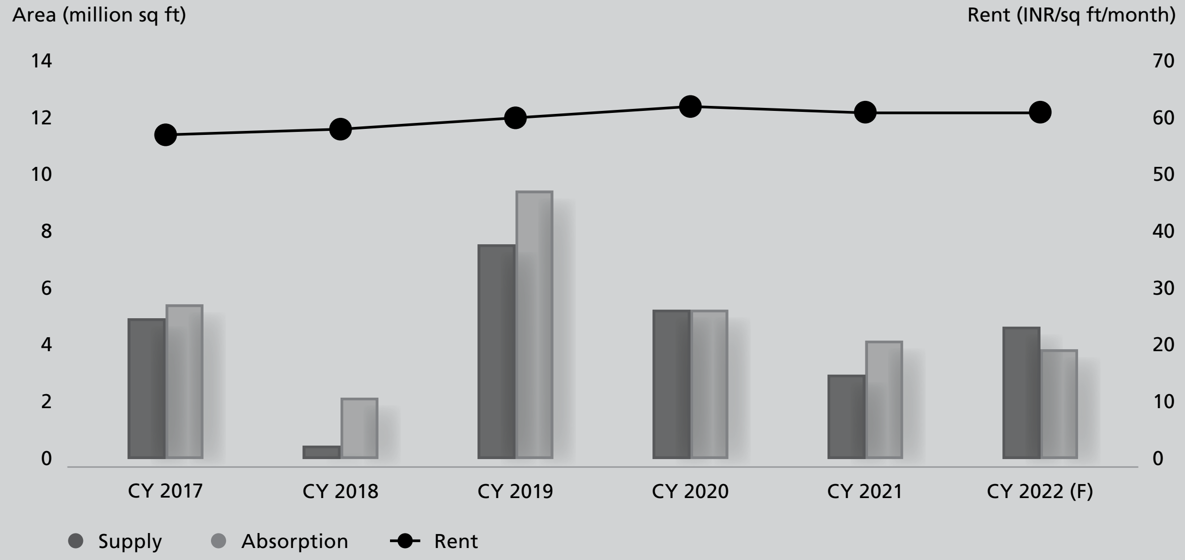
CITY – SUPPLY, ABSORPTION & VACANCY



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Vacancy accounts for the gap between cumulative stock and occupied space in the city at any given year and includes secondary spaces (if any) being generated due to churn in the market.

SUPPLY, ABSORPTION & RENTAL TRENDS: MADHAPUR MICRO-MARKET

SUPPLY, ABSORPTION & RENTAL TREND IN GRADE-A OFFICE IN MADHAPUR



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

ANALYSIS OF DEVELOPMENTS IN MADHAPUR

Current Commercial Developments in Madhapur

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
DivyaSree Orion	DivyaShree	2011-21	5.4	10%	Salesforce, Wells Fargo, Mindtree
Mindspace West	K Raheja Corp REIT	2004-20	10.1	10%	Amazon, Qualcomm, IBM,
Meenakshi Deloitte – Phase I, II, III	Meenakshi Constructions	2017-20	4.0	Fully Occupied	Deloitte
Salarpuria Knowledge City Parcel II & IV	Salarpuria	2019-20	3.8	22%	Microsoft, State Street, JP Morgan
The Skyview - SEZ	RMZ Corp	2019	3.5	Fully Occupied	Qualcomm, Micron, DBS, Facebook

Source: CBRE Research

Upcoming Commercial Developments in Madhapur

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)
Salarpuria Sattva Knowledge Park - T1&2	Salarpuria	2022/23	2.6
Raheja – Commerzone (Phase I & II)	K Raheja Corp	2022/23	1.8
Aparna Technopolis	Aparna Constructions	2023	1.2
Ayyanna Infra IT Park	Ayyanna Group	2023	0.4
Sanali Business Bay	Sanali Group	2024	1.1
The Spire – Tower 100 & 110	RMZ Corp	2025	1.4
L&T Site - T2	L&T	2025	1.0
Sanali West field	Sanali Group	2025	0.3
Phoenix Equinox – T1 & T2	Phoenix Group	2024/26	2.3

Source: CBRE Research

OUTLOOK

The Hyderabad commercial office market has remained resilient amidst the ongoing pandemic, maintaining one of the lowest vacancy levels across the seven key Indian cities in 2021. In 2021, office supply in Hyderabad grew by 62% YOY, with approximately 13.2 million sq ft of new office space entering the market. Absorption also witnessed a recovery with a 52% YOY growth. Pre-commitments by prominent tenants including Google and Deloitte remain intact. However, demand recovery remains slow relative to supply additions, pushing vacancy rates up to 15.6% in 2021.

Overall, Hyderabad's commercial office market demand is expected to bounce back to reach 9-10 million sq ft per annum in the medium-to-long term and low absorptions levels are expected to be temporary. With a steady upcoming supply and slowing absorption expected in Hyderabad, vacancy levels are expected to increase to 18.6% in 2022.

Alongside steady supply additions and absorption in 2022, rentals in the Madhapur micro-market are expected to remain stable in the range of INR 65-70 per sq ft per month in the medium term.

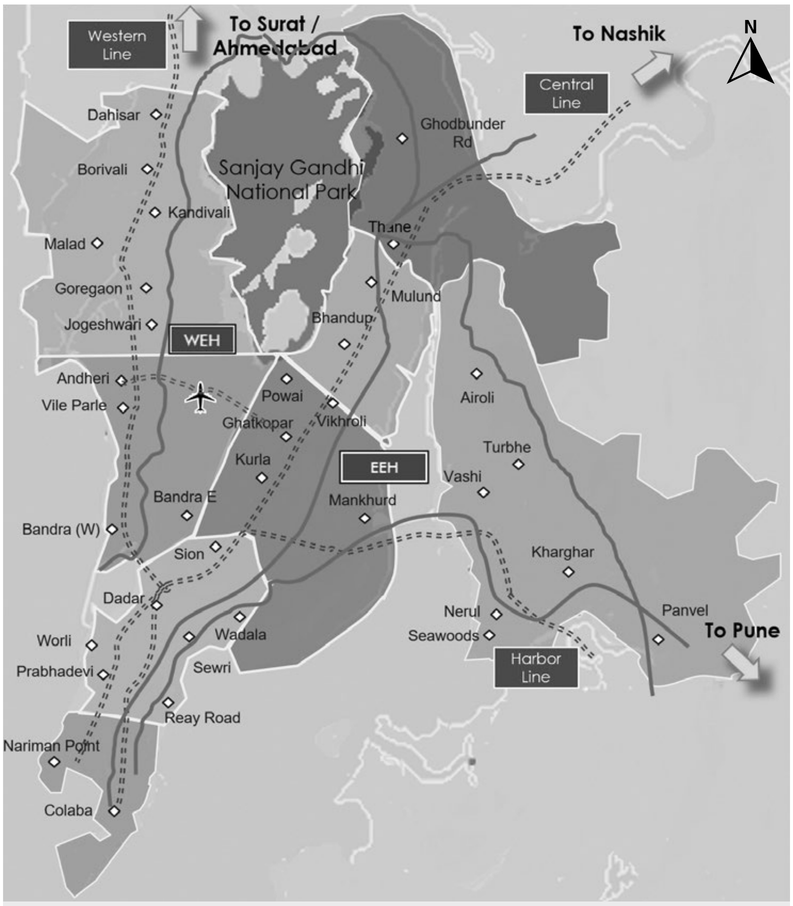
SOURCE: CBRE RESEARCH

CITY OVERVIEW

Mumbai, the capital of the State of Maharashtra, is known as the 'Financial Capital' of India with the presence of numerous corporate offices, banks, and financial institutions. It is home to prominent national financial institutions including the Reserve Bank of India and the National and Bombay Stock Exchanges. The Central and State Governments are proactively exploring the development of Mumbai as an International Financial Centre, with recent initiatives including the development of the Bandra Kurla Complex.

Mumbai's office market activity has expanded from the Central Business District (CBD) to encompass new developments in emerging locations of Lower Parel and the Bandra Kurla Complex (BKC). Further, the city's expansion towards the north has led to the emergence of micro-markets in the suburbs, with prominent examples including Malad and Goregaon in the Western suburbs and Powai, Vikhroli and Kanjurmarg in the Eastern suburbs.

Mumbai currently has close to 136.2 million sq ft of investment-grade office stock and a large quantum of commercial projects are underway in its suburban and peripheral micro-markets. Simultaneously, with the completion of key infrastructure projects and improved connectivity, the satellite city of Navi Mumbai has emerged as a prominent commercial destination, offering Grade-A office spaces.



Map not to scale

SOURCE: CBRE RESEARCH

Mumbai micro-market classification and key commercial hubs:
Mumbai has been classified into different micro-markets based on the concentration and profile of development activity, as detailed below:

Micro-market	Locations Included	Description
Central Business District (CBD)	• Nariman Point • Ballard Estate • Cuffe Parade	• Primarily non-IT focused commercial activity • Characterised by low-rise, high-density developments with limited infrastructure provisions • Prominent companies include Reliance Industries, McKinsey and Tata Telecom • At the end of CY 2021, total Grade-A office stock in CBD was at 6.7 million sq ft • Vacancy at the end of CY 2021 was estimated at 6.4% • During CY 2021, CBD witnessed rentals in the range of INR 150-250 per sq ft per month
Extended Business District (ExBD)	• Lower Parel • Worli • Prabhadevi	• Characterised by Grade-A developments with superior infrastructure provisions • BFSI hub and corporate headquarters • Prominent companies include HDFC Bank, Axis Bank and Morgan Stanley • At the end of CY 2021, total Grade-A office stock in ExBD was at 14.5 million sq ft • Vacancy at the end of CY 2021 was estimated at 27.8% • During CY 2021, ExBD witnessed rentals in the range of INR 150-220 per sq ft per month
Alternate Business District (ABD)	• Bandra Kurla Complex • Kalina • Santacruz	• Alternate commercial hub of the city • Characterised by Grade-A developments with superior infrastructure provisions • BFSI hub and corporate headquarters • Prominent companies include Deutsche Bank, Abbott and Citibank • At the end of CY 2021, total Grade-A office stock in ABD was at 14.1 million sq ft • Vacancy at the end of CY 2021 was estimated at 20.2% • During CY 2021, ABD witnessed rentals in the range of INR 150-350 per sq ft per month
Secondary Business District (SBD)	• Andheri (East) • Sahar • MIDC • Saki Naka	• Smaller office spaces for non-IT front office • Prominent companies include Glenmark Pharma, DHL and P&G • At the end of CY 2021, total Grade-A office stock in SBD was at 23.7 million sq ft • Vacancy at the end of CY 2021 was estimated at 22.0% • During CY 2021, SBD witnessed rentals in the range of INR 75-130 per sq ft per month
Peripheral Business District West (PBD West)	• Malad • Goregaon • Jogeshwari	• Located towards the west of the city, the commercial activity primarily comprises of IT/ITES activity • Prominent companies include PwC, Ericsson and Aegon • At the end of CY 2021, total Grade-A office stock in PBD West was at 18.3 million sq ft • Vacancy at the end of CY 2021 was estimated at 24.2% • During CY 2021, PBD West witnessed rentals in the range of INR 65-110 per sq ft per month

SOURCE: CBRE RESEARCH

Micro-market	Locations Included	Description
Peripheral Business District East (PBD East)	• Kurla • Vikhroli • Kanjurmarg • Powai • Mulund	• A non-IT/ITES back-office hub • Prominent companies include Tesco, Tata and Trent • At the end of CY 2021, total Grade-A office stock in PBD East was at 20.2 million sq ft • Vacancy at the end of CY 2021 was estimated at 25.7% • During CY 2021, PBD East witnessed rentals in the range of INR 90-150 per sq ft per month
Thane Business District (TBD) & Navi Mumbai Business District (NMBD)	• Vashi • Airoli • Ghansoli	• Emerging hub for commercial activity • IT/ITES back-office hub • Prominent companies include Capgemini, IBM, and Accenture • At the end of CY 2021, total Grade-A office stock in TBD was at 8.7 million sq ft and NMBD was at 29.9 million sq ft • Vacancy in TBD and NMBD at the end of CY 2021 was estimated at 30.3% and 37.6% respectively • During CY 2021, TBD witnessed rentals in the range of INR 55-70 per sq ft and NMBD witnessed rentals in the range of INR 45-60 per sq ft per month

Source: CBRE Research

NAVI MUMBAI MICRO-MARKET OVERVIEW

Situated on the west coast of the Indian state of Maharashtra, Navi Mumbai was originally developed as a twin city of Mumbai, with a total area of 344 sq km. Connectivity between Navi Mumbai and Mumbai are facilitated through the Vashi and Airoli Bridges. Navi Mumbai is also connected to Mumbai City via railway, the Sion Panvel Highway, Thane Belapur road and National Highway 48 (NH 48). All the nodes in Navi Mumbai are prominent residential hubs and nodes such as Vashi, Kharghar, Belapur, Sanpada, regions around Thane Belapur Road are also characterised as commercial hub.

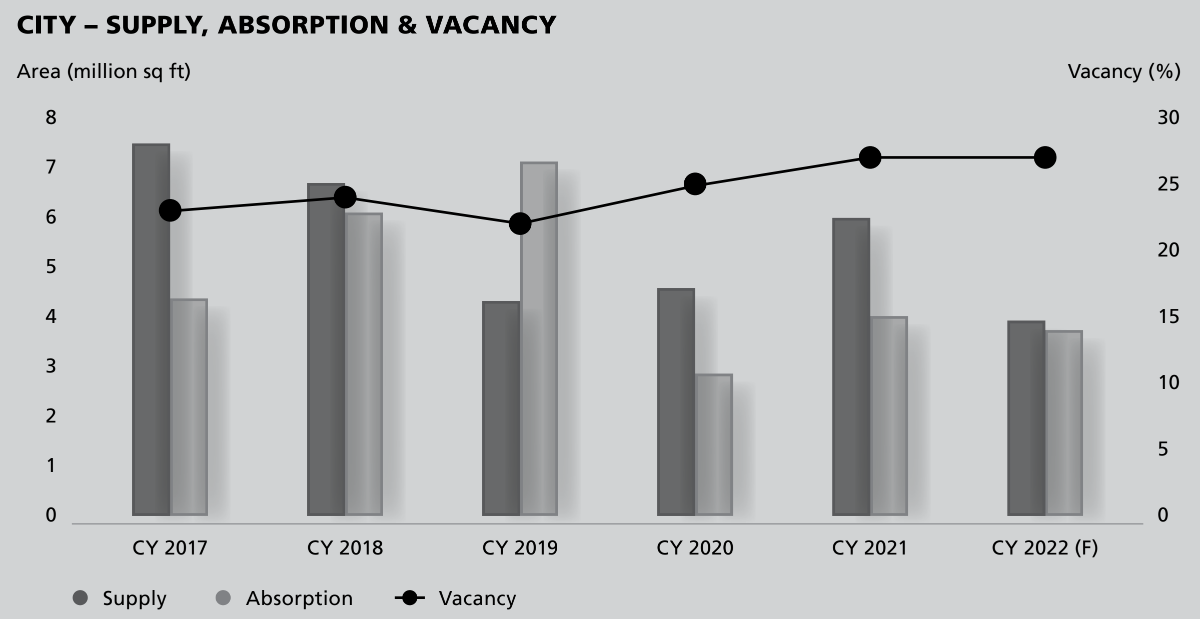
Prominent commercial developments in Navi Mumbai include Aurum IT Building, Reliance Corporate IT Park, Sigma IT Park, Rupa Solitaire and some of the largest IT/ITES occupiers include UBS Business Solutions, KPMG and Maersk Global Services.

SUPPLY, ABSORPTION & VACANCY TRENDS: MUMBAI

Grade-A Office Stock Breakup	Mumbai	Navi Mumbai
Total Completed Stock	136.2 million sq ft	29.9 million sq ft
Breakup – SEZ & Non SEZ	SEZ – 11.6 million sq ft Non SEZ – 124.6 million sq ft	SEZ – 10.1 million sq ft Non SEZ – 19.8 million sq ft

Source: CBRE Research

SOURCE: CBRE RESEARCH



Source: CBRE Research
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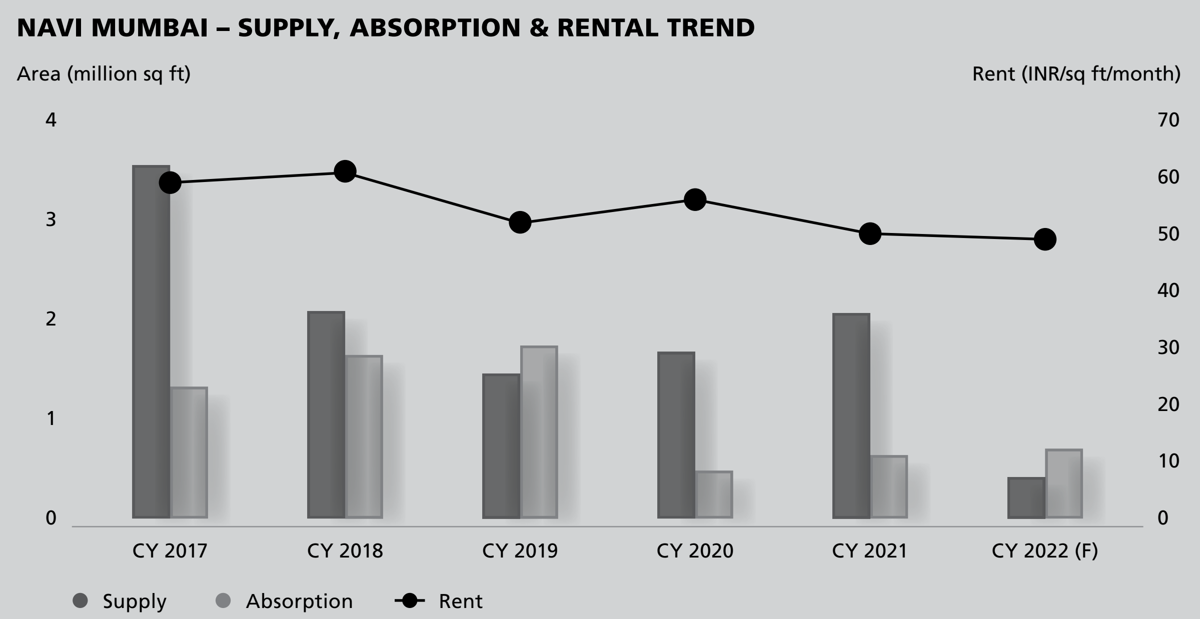
SUPPLY, ABSORPTION & RENTAL TRENDS: NAVI MUMBAI



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

ANALYSIS OF DEVELOPMENTS IN NAVI MUMBAI

Current Commercial Developments in Navi Mumbai

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
Mindspace Building 1	K Raheja Corp	2018	0.7	57%	Cytec, Cowens, ReBIT (RBI), IDFC, Fino Payments
Rupa Sapphire	Rupa Group	2018	0.2	53%	Utkarsh Bank, Coleman Logistics, TPF Engineering
Empire Tower – Reliable Tech Park Phase II	Reliable Spaces Pvt. Ltd.	2017	2.0	35%	Aditya Birla, Covestro, Maersk Global Services, Home Credit
Mindspace (West) – Building 2 (Gigaplex)	K Raheja Corp and The Blackstone Group	2016	0.7	23%	Here Solutions India, UBS Business Solutions (I), Worley Parsons India

Source: CBRE Research

Upcoming Commercial Developments in Navi Mumbai

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)
Liberty Tower Phase II	Reliable Spaces Pvt. Ltd.	2023	1.0
Dosti Presidio 1	Dosti Realty	2024	0.5
Man IT Park	Man Infra Constructions Ltd.	2024	0.5
Mindspace (East)- Building 15	K Raheja Corp and The Blackstone Group	2024	0.5
Silver Solus	Silver Group	2024	0.3
Everest Infotech Park – 1	Everest Group	2024	0.1

Source: CBRE Research

OUTLOOK

Demand in Mumbai City is anticipated to remain subdued as occupiers continue to delay their leasing decisions. Approximately 3.7 million sq ft of space is likely to be taken up in 2022, with majority of demand anticipated to be concentrated in SBD, NMBD, EXBD, ABD and PBD East. Against an anticipated increase in supply additions and limited demand, vacancy levels are expected to rise marginally to 26.7% in 2022. The increased vacancy levels will have a slight impact on the rentals, with average rents anticipated to lower to INR 157 per sq ft per month by the end of 2022.

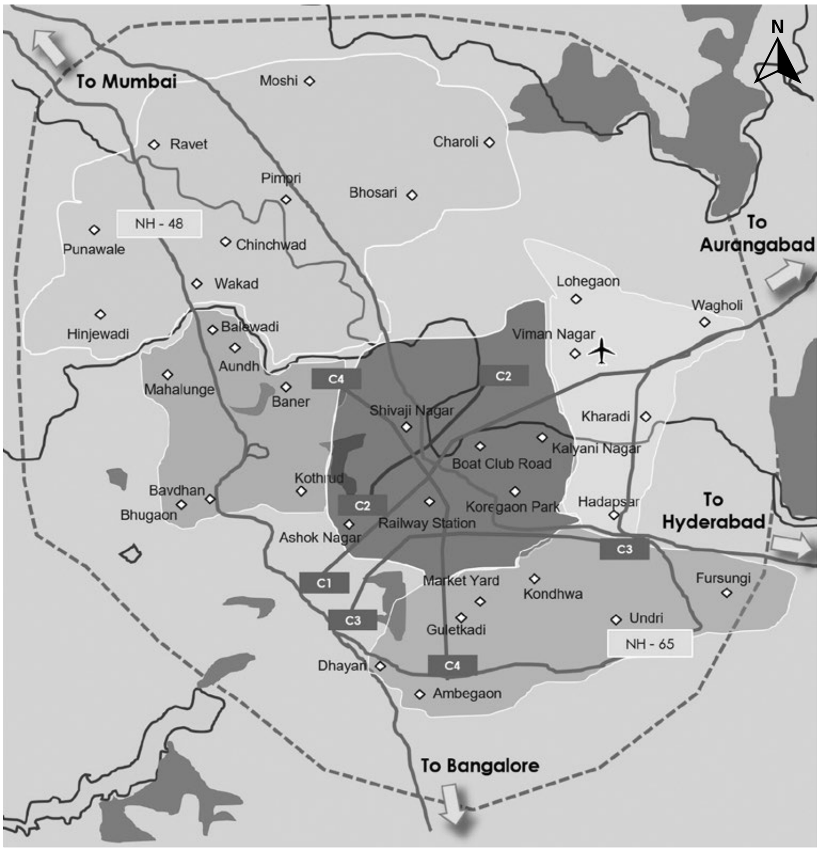
Due to its proximity to Mumbai City, Navi Mumbai has established itself a prominent area for IT/ITES commercial development. Navi Mumbai's office market has observed a limited absorption and supply in 2021 due to challenges presented by COVID-19. However, office space absorption is expected to recover over the next few years with rents for Grade-A offices to stabilise at INR 49 per sq ft per month in the short term. However, the micro-market has witnessed increasing interest towards larger land banks to set up commercial and data centre developments which will increase demand in the long term.

SOURCE: CBRE RESEARCH

CITY OVERVIEW

Pune is located approximately 150 km from Mumbai and is the second largest city in the state of Maharashtra. The city has steadily metamorphosed from a traditional city with an army cantonment and an agricultural-based economy, to an industrial and educational hub.

The advent of Information Technology (IT/ITES) industry in the late 1990s & its subsequent proliferation has rapidly developed the economic landscape of the city. Pune has emerged as a prominent IT/ ITES destination in India, which has fuelled strong demand across all real estate segments, including the development of the first software technology park in India. Meanwhile, non-IT demand has been primarily confined to CBD and Off-CBD micro-markets.



Map not to scale

Pune Commercial Market Overview

SOURCE: CBRE RESEARCH

Pune micro-market classification and key commercial hubs
Pune has been classified into different micro-markets based on the concentration and profile of development activity, as detailed below:

Micro-market	Locations Included	Description
Central Business District	• Bund Garden • Boat Club Road • Koregaon Park	• Characterised by low-rise, high-density developments with limited infrastructure provisions • Prominent companies include Cognizant, Coupa Software and ICERTIS • At the end of CY 2021, total Grade-A office stock in CBD was at approximately 7.6 million sq ft • Vacancy at the end of CY 2021 was estimated at 11.6% • During CY 2021, CBD witnessed rentals in the range of INR 65-75 per sq ft per month for warmshell space
Secondary Business District (SBD) – East	• Hadapsar • Mundhwa • Viman Nagar	• Characterised commercial developments residential developments, townships and hospitality developments • Prominent companies include WNS, Capita and WeWork • At the end of CY 2021, total Grade-A office stock in SBD-East was at approximately 21.7 million sq ft • Vacancy at the end of CY 2021 was estimated at 12.5% • During CY 2021, SBD-East witnessed rentals in the range of INR 75-85 per sq ft per month for warmshell space
Secondary Business District (SBD) – West	• Aundh • Baner • Bangalore-Mumbai Highway	• Emerging hub for commercial activities • Prominent companies include Siemens, EY and VMWare • At the end of CY 2021, total Grade-A office stock in SBD-West was at approximately 11.5 million sq ft • Vacancy at the end of CY 2021 was estimated at 34.9% • During CY 2021, SBD-West witnessed rentals in the range of INR 70-80 per sq ft per month for warmshell space
Secondary Business District (SBD) – Kharadi	• Kharadi	• Characterised by Grade-A developments with superior infrastructure provisions • Prominent companies include Barclays, Credit Suisse and Citi Bank • At the end of CY 2021, total Grade-A office stock in SBD-Kharadi was at approximately 12.6 million sq ft • Vacancy at the end of CY 2021 was estimated at 18.5% • During CY 2021, SBD-Kharadi witnessed rentals in the range of INR 80-95 per sq ft per month for warmshell space
Peripheral Business District (PBD) – Hinjawadi	• Hinjawadi	• Presence of Grade-A multi-tenanted business parks catering to small, medium and large-scale tenants provide holistic business set-up options for growth of the IT industry • Prominent companies include Wipro, Infosys and HCL • At the end of CY 2021, total Grade-A office stock in PBD-Hinjawadi was at approximately 12.1 million sq ft • Vacancy at the end of CY 2021 was estimated at 27.1% • During CY 2021, PBD-Hinjawadi witnessed rentals in the range of INR 40-50 per sq ft per month for warmshell space

Source: CBRE Research

HINJAWADI OVERVIEW

Hinjawadi, located along the north-western periphery of Pune city, has emerged as a prominent commercial destination. Strategically located near to the Mumbai-Bangalore Bypass Highway, Hinjawadi enjoys good connectivity to Mumbai city to the north and Bangalore city to the south. The Hinjawadi Main Road also ensures the overall connectivity across all phases of the city's development.

As a former industrial micro-market, Hinjawadi has transformed into an IT destination over the years with favourable government policies, availability of land parcels and sustained interest from investors, developers and corporates.

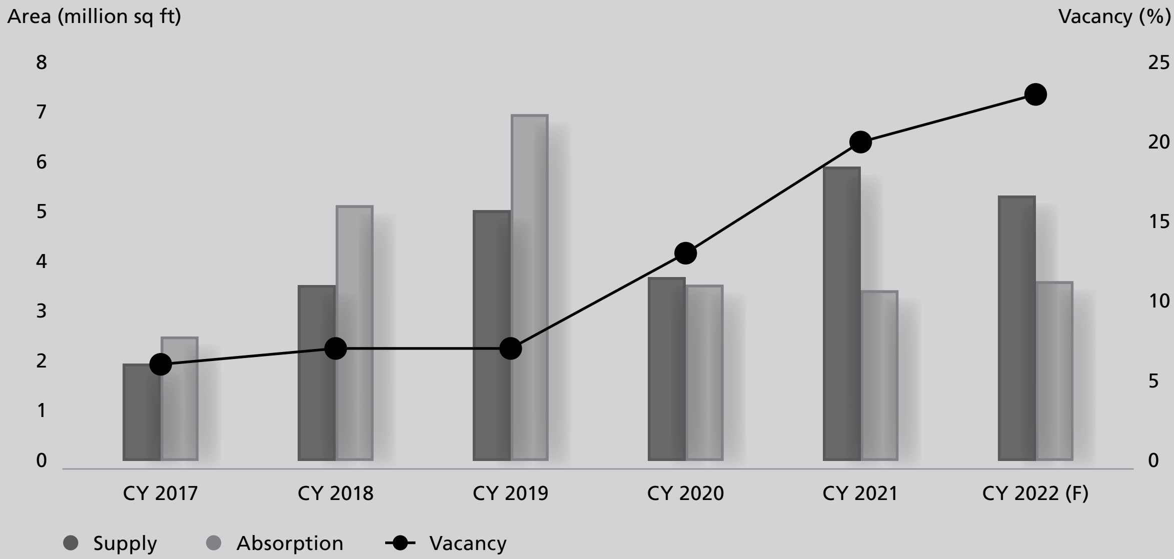
The region houses IT campuses of major corporates including Tata Consultancy Services, Cognizant and Capgemini. Prominent IT developments in the market include ITPP, aVance Pune, Panchshil Tech Park, and Embassy Tech Zone.

SUPPLY, ABSORPTION & VACANCY TRENDS: PUNE

Grade-A Office Stock Breakup	Pune	Hinjawadi
Total Completed Stock	65.6 million sq ft	12.1 million sq ft
Breakup – SEZ & Non SEZ	SEZ – 23.0 million sq ft Non SEZ – 42.6 million sq ft	SEZ – 10.6 million sq ft Non SEZ – 1.5 million sq ft

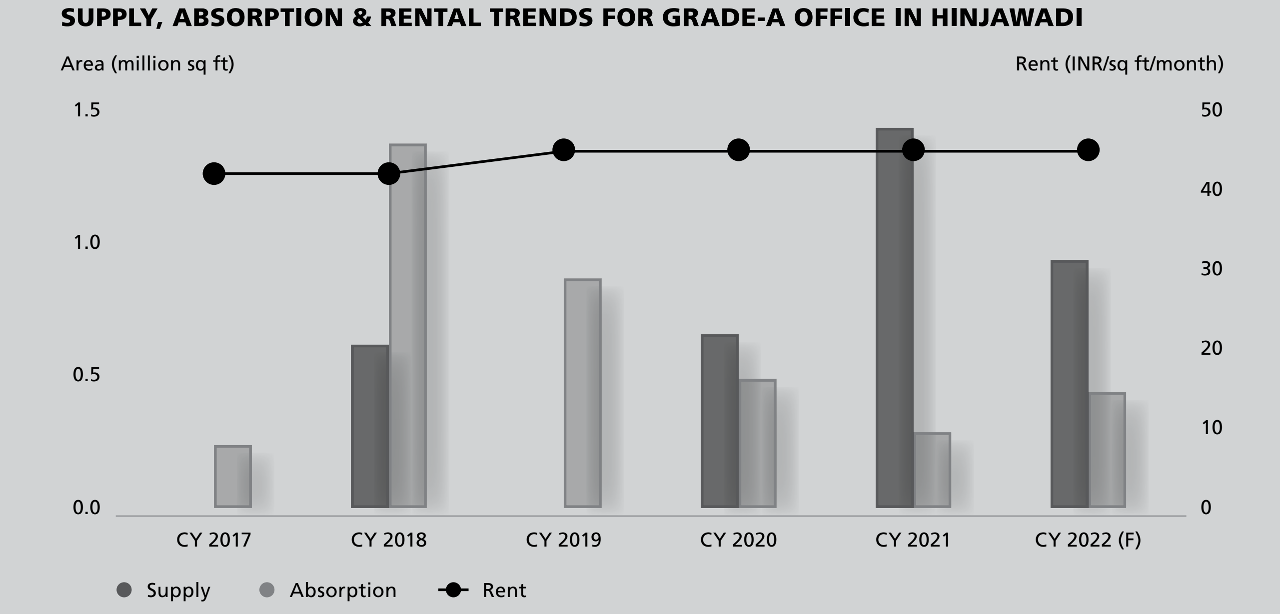
Source: CBRE Research

CITY – SUPPLY, ABSORPTION & VACANCY



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Vacancy accounts for the gap between cumulative stock and occupied space in the city at any given year and includes secondary spaces (if any) being generated due to churn in the market.

SUPPLY, ABSORPTION & RENTAL TRENDS: HINJAWADI MICRO-MARKET



Source: CBRE Research
Note: Supply refers to new supply completed each year; Absorption refers to the net space occupied in each year comprising of both primary and secondary leasing; Rents shown are the averages of asking rents for all available space in existing buildings in each year.

ANALYSIS OF DEVELOPMENTS IN HINJAWADI

Current Commercial Developments in Hinjawadi

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)	Vacancy (% of Leasable Area)	Main Occupiers
The Qubix	The Blackstone Group	2010-12	1.5	12%	Accenture, HCL, Persistent Systems
Embassy Techzone SEZ	Embassy Group	2008-12	2.2	48%	IBM, Access Healthcare, Tech Mahindra
Quadron IT Park – SEZ	The Blackstone Group	2009-10	1.9	16%	E-Clerx, Cognizant, Luxoft

Source: CBRE Research

Upcoming Commercial Developments in Hinjawadi

Building Name	Developer	Year of Completion	Leasable Area (million sq ft)
Global SEZ – Building A & B	Global Group	2022	1.2
Embassy Techzone - Hudson & Ganges	Embassy Group	2022	0.9

Source: CBRE Research

SOURCE: CBRE RESEARCH

OUTLOOK

With the onset of the COVID-19 pandemic, the Pune market has witnessed a slowdown in commercial demand due lockdowns and corporates delaying consolidation and expansion strategies with the adoption of work-from-home. Leasing activity in Pune has dropped marginally in 2021 by about 3% compared with 2020. With an expected supply addition of approximately 5.3 million sq ft and cautious leasing activity in 2022, vacancy levels are expected to rise to 23% before stabilising in the range of 23-24% in the medium term.

The Hinjawadi micro-market expects about 0.9 million sq ft of supply additions in 2022 while absorption levels are expected to double to 0.4 million sq ft. Rentals are expected to remain stable at INR 45 per sq ft per month.

Despite the slow absorption growth in the short term, demand momentum is likely to pick up with the increasing attractiveness of Pune as a tech offshoring destination.

Abbreviations

BFSI	Banking, Financial Services and Insurance
CY	Calendar Year
CBD	Central Business District
DCF	Discounted Cash Flow
FV	Fair Value
Ft	Feet
FY	Financial Year
FSI	Floor Space Index
FDI	Foreign Direct Investment
GST	Goods and Services Tax
INR	Indian Rupee
IT/ITES	Information Technology/ Information Technology Enabled Services
Km	Kilometres
M	Meters
Mn	Million
MNC	Multi-National Company
NH	National Highway
NA	Not Applicable/ Not Available
PE	Private Equity
Q	Quarter
RBI	Reserve Bank of India
RGIA	Rajiv Gandhi International Airport
RERA	Real Estate Regulatory Authority
SBD	Secondary Business District
SEZ	Special Economic Zone
Sq ft	Square Feet
Sq m	Square Meter
SH	State Highway
SP	Subject Property
USD	United States Dollar

Corporate Information

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Independent Director

Manohar Khiatani
Deputy Chairman & Non-Executive
Non-Independent Director

Sanjeev Dasgupta
Chief Executive Officer &
Executive Non-Independent
Director

Alan Rupert Nisbet
Non-Executive Lead Independent
Director

Zia Jaydev Mody
Non-Executive Independent
Director

Ernest Kan Yaw Kiong
Non-Executive Independent
Director

Tan Soon Neo Jessica
Non-Executive Independent
Director

Jonathan Yap Neng Tong
Non-Executive Non-Independent
Director

AUDIT AND RISK COMMITTEE
Alan Rupert Nisbet (Chairman)
Zia Jaydev Mody
Ernest Kan Yaw Kiong

INVESTMENT COMMITTEE
Manohar Khiatani (Chairman)
Zia Jaydev Mody
Tan Soon Neo Jessica
Jonathan Yap Neng Tong

NOMINATING AND REMUNERATION COMMITTEE
Chiang Chie Foo (Chairman)
Manohar Khiatani
Alan Rupert Nisbet

COMPANY SECRETARY
Hon Wei Seng

This Annual Report to Unitholders may contain forward-looking statements. Forward-looking statements are subject to inherent uncertainties and are based on numerous assumptions. Actual performance, outcomes and results may differ materially from those expressed in forward-looking statements. Representative examples of factors which may cause the actual performance, outcomes and results to differ materially from those in the forward-looking statements include (without limitation) changes in general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate investment opportunities, competition from other companies, shifts in customers' demands, changes in operating conditions, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

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