

FROM SPACES TO PLACES

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DIRECTORS' REPORT

For the financial year ended 31 March 2013

The directors are pleased to present their report to the shareholder together with the audited consolidated financial statements of Ascendas Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 March 2013.

Directors

The directors of the Company in office at the date of this report are as follows:

Teh Kok Peng	(Appointed on 01 October 2012)
Png Cheong Boon	(Appointed on 20 May 2013)
Alan Rupert Nisbet	
Willy Shee	
Tan Gee Paw	
Charles C.Y. Chen	
Jen Kwong Hwa	
Chee Hong Tat	
Lee Eng Beng	
Balu Doraisamy	
Kee Teck Koon	(Appointed on 01 April 2013)
Chong Siak Ching	
Manohar Khiatani	

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 shares or debentures

According to the register of directors' shareholdings, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' REPORT

For the financial year ended 31 March 2013

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company 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 the director is a member, or with a company in which the director has a substantial financial interest, save that a director received remuneration as a result of his employment with the immediate holding corporation, JTC Corporation.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Independent auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:



TEH KOK PENG
Director



MANOHAR KHIATANI
Director

3 June 2013

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2013

We, Teh Kok Peng and Manohar Khiatani, being two of the directors of Ascendas Pte Ltd, do hereby state that, in the opinion of the directors,

- (a) the accompanying balance sheets, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and the results of the business, changes in equity and cash flows of the Group for the year ended on that date, 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.

On behalf of the board of directors:



TEH KOK PENG
Director



MANOHAR KHIATANI
Director

3 June 2013

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of Ascendas Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 6 to 119, which comprise the balance sheets of the Group and the Company as at 31 March 2013, consolidated statement of changes in equity of the Group and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

3 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	The Group	
		2013 \$'000	2012 \$'000
Revenue	4	322,071	329,771
Other gains/(losses) – net	5	238,458	184,470
Expenses			
Cost of development properties sold		(685)	(9,403)
Depreciation of investment properties	11	(44,875)	(38,202)
Depreciation of property, plant and equipment	12	(5,376)	(5,062)
Maintenance and conservancy expenses		(25,060)	(22,905)
Project consultancy, property and lease management expenses		(1,574)	(1,037)
Renovation services expenses		(2,311)	(3,537)
Employee compensation	6	(111,173)	(84,357)
Property taxes		(9,465)	(8,470)
Other operating expenses	7	(78,508)	(66,941)
Finance expense	8	(33,984)	(32,853)
Total expenses		(313,011)	(272,767)
Share of profits of associated and joint venture companies		102,260	47,516
Profit before tax from continuing operations		349,778	288,990
Income taxes	9(a)	(3,759)	(30,006)
Profit from continuing operations, net of tax		346,019	258,984
Profit from operations related to disposal group classified as held for sale, net of tax	33	11,225	118
Profit for the year		357,244	259,102
Available-for-sale financial assets – fair value gains/(losses)	27(b)	43,614	(152)
Available-for-sale financial assets – reclassification to profit or loss following disposal	27(b)	(63,635)	-
Cash flow hedges – fair value losses	27(c)	(7,241)	(3,451)
Cash flow hedges – reclassification to profit or loss upon settlement	27(c)	4,037	3,572
Currency translation differences arising from consolidation		(3,679)	(6,366)
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) – net	27(a)	(1,670)	11
Currency translation reserve on disposal of associated and joint venture companies charged to other gains/(losses) – net	27(a)	876	1,564
Other reserves on disposal of associated and joint venture companies charged to other gains/(losses) – net	27(d)	(90)	294
Share of other comprehensive income of associated and joint venture companies		(23,820)	(19,289)
Other comprehensive income from continuing operations, net of tax		(51,608)	(23,817)
Other comprehensive income from operations related to disposal group classified as held for sale, net of tax	33	(406)	184
Total comprehensive income for the year		305,230	235,469

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	The Group	
		2013 \$'000	2012 \$'000
Attributable to:			
Equity holder of the Company			
Profit from continuing operations, net of tax		328,685	247,470
Profit from operations related to disposal group classified as held for sale, net of tax		11,225	118
Profit for the year attributable to equity holder of the Company		339,910	247,588
Non-controlling interests			
Profit from continuing operations, net of tax		17,334	11,514
Profit for the year attributable to non-controlling interests		17,334	11,514
Attributable to:			
Equity holder of the Company			
Total comprehensive income from continuing operations, net of tax		277,411	221,889
Total comprehensive income from operations related to disposal group classified as held for sale, net of tax		10,819	302
Total comprehensive income for the year attributable to equity holder of the Company		288,230	222,191
Non-controlling interests			
Total comprehensive income from continuing operations, net of tax		17,000	13,278
Total comprehensive income for the year attributable to non-controlling interests		17,000	13,278
Earnings per share from continuing operations attributable to equity holder of the Company (cents)			
- Basic	34	56.1	42.3
- Diluted	34	56.1	42.3
Earnings per share (cents)			
- Basic	34	58.0	42.3
- Diluted	34	58.0	42.3

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

BALANCE SHEETS

As at 31 March 2013

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
ASSETS					
Non-current assets					
Deferred income tax assets	9(c)	3,610	2,605	-	-
Intangible assets	10	116,753	136,149	-	-
Investment properties	11	1,942,398	1,510,316	-	-
Property, plant and equipment	12	8,795	19,884	-	-
Investments in subsidiary companies	13	-	-	801,820	801,820
Investments in associated and joint venture companies	14	1,111,177	988,486	-	-
Other non-current assets		1,191	461	-	-
Trade and other receivables	15	83,305	67,241	-	-
Deposits		54	34	-	-
Cash and bank balances	17	39,280	33,489	-	-
Derivative financial instruments	20	3,117	2,170	370	-
Available-for-sale financial assets	18	25,068	23,555	-	-
		3,334,748	2,784,390	802,190	801,820
Current assets					
Properties under development	19	78,232	51,632	-	-
Properties held for sale		-	770	-	-
Available-for-sale financial assets	18	-	36,556	-	-
Derivative financial instruments	20	186	30	-	-
Consumables		86	14	-	-
Prepayments		2,903	3,188	21	1
Trade and other receivables	15	128,159	95,093	1,404,767	977,383
Deposits		11,842	3,162	5	8
Cash and bank balances	17	759,868	631,330	119,493	195,037
		981,276	821,775	1,524,286	1,172,429
Assets of disposal group classified as held for sale	33	-	33,074	-	-
Total assets		4,316,024	3,639,239	2,326,476	1,974,249
LIABILITIES					
Current liabilities					
Trade and other payables	21	342,993	167,314	657,494	867,065
Current income tax liabilities	9(b)	106,352	105,774	2	-
Borrowings	24	35,901	260,411	-	-
Derivative financial instruments	20	20	392	-	-
		485,266	533,891	657,496	867,065
Liabilities directly associated with disposal group classified as held for sale	33	-	24,497	-	-
		485,266	558,388	657,496	867,065

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

BALANCE SHEETS

As at 31 March 2013

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current liabilities					
Other payables	22	42,612	45,701	-	-
Loans from non-controlling interests	23	139,200	138,462	-	-
Borrowings	24	1,014,640	688,523	361,776	248,570
Deferred income on long term leases	25	165,770	170,929	-	-
Derivative financial instruments	20	9,651	4,312	1,447	1,005
Deferred income tax liabilities	9(c)	19,224	48,284	-	-
		1,391,097	1,096,211	363,223	249,575
Total liabilities		1,876,363	1,654,599	1,020,719	1,116,640
NET ASSETS		2,439,661	1,984,640	1,305,757	857,609
EQUITY					
Capital and reserves attributable to the Company's equity holder					
Share capital	26	585,622	585,622	585,622	585,622
Fair value and other reserves	27	(167,592)	(120,570)	(1,077)	(1,005)
Revenue reserve	28	1,593,878	1,391,538	425,186	272,992
Reserve of disposal group classified as held for sale	33	-	406	-	-
		2,011,908	1,856,996	1,009,731	857,609
Perpetual capital securities	30	296,026	-	296,026	-
Non-controlling interests		131,727	127,644	-	-
TOTAL EQUITY		2,439,661	1,984,640	1,305,757	857,609

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

	Note	Attributable to equity holder of the Company					Reserve of disposal group classified as held for sale \$'000	Total equity \$'000
		Share capital \$'000	Fair value and other reserves \$'000	Revenue reserve \$'000	Perpetual capital securities \$'000	Non-controlling interests \$'000		
2013								
Beginning of financial year		585,622	(120,570)	1,391,538	-	127,644	406	1,984,640
Profit for the year		-	-	339,910	-	17,334	-	357,244
Other comprehensive income:								
Available-for-sale financial assets								
- fair value losses		-	43,614	-	-	-	-	43,614
- reclassification to profit or loss following disposal		-	(63,635)	-	-	-	-	(63,635)
Cash flow hedges								
- fair value losses		-	(7,241)	-	-	-	-	(7,241)
- reclassification to profit or loss upon settlement		-	4,037	-	-	-	-	4,037
Currency translation differences arising from consolidation		-	(3,438)	-	-	(241)	(137)	(3,816)
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) - net		-	(1,670)	-	-	-	-	(1,670)
Currency translation reserve on disposal of a subsidiary classified as held for sale		-	-	-	-	-	(269)	(269)
Currency translation reserve on disposal of associated and joint venture companies charged to other gains/(losses) - net		-	876	-	-	-	-	876
Other reserves on disposal of associated and joint venture companies charged to other gains/(losses) - net		-	(90)	-	-	-	-	(90)
Share of other comprehensive income of associated and joint venture companies		-	(24,145)	-	-	325	-	(23,820)
Other comprehensive income for the year, net of tax		-	(51,692)	-	-	84	(406)	(52,014)
Total comprehensive income for the year		-	(51,692)	339,910	-	17,418	(406)	305,230

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

		← Attributable to equity holder of the Company →						
	Note	Share capital \$'000	Fair value and other reserves \$'000	Revenue reserve \$'000	Perpetual capital securities \$'000	Non-controlling interests \$'000	Reserve of disposal group classified as held for sale \$'000	Total equity \$'000
Contributions by and distributions to owners:								
Capital contribution by non-controlling interests		-	-	-	-	47,227	-	47,227
Dividends	29	-	-	(129,560)	-	-	-	(129,560)
Dividends paid to non-controlling interests		-	-	-	-	(38,782)	-	(38,782)
Total contributions by and distributions to owners		-	-	(129,560)	-	8,445	-	(121,115)
Changes in ownership interests in subsidiary companies:								
Disposal of interest in subsidiary companies		-	-	-	-	(21,793)	-	(21,793)
Acquisition of non-controlling interests without a change in control		-	3,805	-	-	13	-	3,818
Total changes in ownership interests in subsidiary companies		-	3,805	-	-	(21,780)	-	(17,975)
Total transactions with owners in their capacity as owners		-	3,805	(129,560)	-	(13,335)	-	(139,090)
Others:								
Issue of perpetual capital securities, net of issued costs		-	-	-	296,026	-	-	296,026
Distribution to perpetual capital securities holders		-	-	(7,145)	-	-	-	(7,145)
Transfer between reserves		-	865	(865)	-	-	-	-
Total others		-	865	(8,010)	296,026	-	-	288,881
End of financial year		585,622	(167,592)	1,593,878	296,026	131,727	-	2,439,661

An analysis of the movements in each category within "Fair value and other reserves" is presented in Note 27.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

	Note	Attributable to equity holder of the Company				Reserve of disposal group classified as held for sale	Total equity
		Share capital	Fair value and other reserves	Revenue reserve	Non-controlling interests		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012							
Beginning of financial year		585,622	(96,039)	1,240,722	141,462	-	1,871,767
Profit for the year		-	-	247,588	11,514	-	259,102
Other comprehensive income:							
Available-for-sale financial assets							
- fair value losses		-	(152)	-	-	-	(152)
Cash flow hedges							
- fair value losses		-	(3,451)	-	-	-	(3,451)
- reclassification to profit or loss upon settlement		-	3,572	-	-	-	3,572
Currency translation differences arising from consolidation		-	(8,329)	-	2,147	-	(6,182)
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) - net		-	11	-	-	-	11
Currency translation reserve on disposal of associated and joint venture companies charged to other gains/(losses) - net		-	1,564	-	-	-	1,564
Other reserves on disposal of associated and joint venture companies charged to other gains/(losses) - net		-	294	-	-	-	294
Share of other comprehensive income of associated and joint venture companies		-	(18,906)	-	(383)	-	(19,289)
Other comprehensive income for the year, net of tax		-	(25,397)	-	1,764	-	(23,633)
Total comprehensive income for the year		-	(25,397)	247,588	13,278	-	235,469
Contributions by and distributions to owners:							
Capital contribution by non-controlling interests		-	-	-	978	-	978
Dividends	29	-	-	(95,500)	-	-	(95,500)
Dividends paid to non-controlling interests		-	-	-	(28,074)	-	(28,074)
Total contributions by and distributions to owners		-	-	(95,500)	(27,096)	-	(122,596)
Others:							
Reserve attributable to disposal group classified as held for sale	33	-	(406)	-	-	406	-
Transfer between reserves		-	1,272	(1,272)	-	-	-
Total others		-	866	(1,272)	-	406	-
End of financial year		585,622	(120,570)	1,391,538	127,644	406	1,984,640

An analysis of the movements in each category within "Fair value and other reserves" is presented in Note 27.

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
Operating activities			
Profit before tax from continuing operations		349,778	288,990
Profit before tax from operations related to disposal group classified as held for sale	33	11,225	118
Profit before tax, total		361,003	289,108
Adjustments for:			
Amortisation of long term lease premium		(4,051)	(4,050)
Amortisation of fund management rights		220	-
Depreciation		50,251	43,264
Dividend income	5	(487)	(92)
Interest income	5	(7,624)	(7,119)
Interest expense	8	33,984	32,853
Loss/(gain) on disposal of:			
- investment properties	5	(48,305)	(105,214)
- property, plant and equipment	5	(14,461)	(294)
- subsidiary companies	5	(58)	11
- associated companies	5	(90)	482
- available-for-sale financial assets	5	(72,513)	-
Gain on dilution of interest in associated companies	5	(73,591)	(30,105)
Management fee paid in units		(12,932)	(12,635)
Impairment losses (written back)/made on:			
- investment properties	5	(2,832)	(3,299)
- investment in associated companies	5	(603)	1,224
- available-for-sale financial assets	5	260	-
Allowance for impairment of receivables made/(written back):			
- trade receivables from non-related parties	7	773	(57)
- other receivables from non-related parties	5	(3,083)	1,625
- other receivables from investee companies	7	-	9
- amounts owing by associated companies	5	(67)	374
Unrealised translation differences		(1,505)	(3,979)
Share of profits of associated and joint venture companies		(102,260)	(47,516)
Property, plant and equipment written off	7	30	90
Investment properties written off	7	1,667	-
Fair value loss on security deposits		1,512	1,547
Fair value (gain)/ loss on derivative financial instruments	5	(62)	11
Negative goodwill arising from acquisition of a subsidiary company	5	-	(3,896)
Negative goodwill arising from acquisition of interest in associated companies	5	(12,851)	-
Derecognition of goodwill	7	24,611	-
Remeasurement of retained interest in associated companies to its fair value	5	-	(29,410)
Total adjustments		(244,067)	(166,176)
Operating cash flows before changes in working capital		116,936	122,932

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
Changes in working capital			
Consumables		(71)	37
Properties under development		(25,796)	7,523
Trade and other receivables		4,857	1,357
Prepayments		285	3,462
Deposits		(8,700)	(887)
Trade and other payables		121,643	26,686
Total changes in working capital		92,218	38,178
Cash flows from operations		209,154	161,110
Interest paid		(34,879)	(31,598)
Cash settlement of interest rate swaps	20	(4,226)	(3,572)
Interest received		7,624	7,119
Income tax paid	9(b)	(30,962)	(23,145)
Net cash flows from operating activities		146,711	109,914
Investing activities			
Purchase of investment properties		(495,033)	(221,729)
Purchase of property, plant and equipment		(4,042)	(5,086)
Purchase of available-for-sale financial assets		(5,654)	(65,039)
Acquisition of fund management rights	10	(4,968)	-
Proceeds from disposal of an associated company		#	1,091
Proceeds from disposal of investment properties		97,758	315,496
Proceeds from disposal of property, plant and equipment		28,528	147
Proceeds from disposal of available-for-sale financial assets		93,839	65,039
Increase in investment in associated companies		(213,389)	(96,106)
Dividend received			
- available-for-sale financial assets	5	487	92
- associated companies		219,382	145,027
Repayment of loans from associated companies		-	15,650
Loan to joint venture company		(20,000)	(24,005)
Acquisition of subsidiary companies, net of cash acquired	31	-	(162,650)
Disposal of subsidiary companies, net of cash disposed	32	(105)	-
Capital return from an associated company		19,357	-
Increase in restricted cash		(7,118)	-
Net cash flows used in investing activities		(290,958)	(32,073)

Less than \$1,000

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
Financing activities			
Net proceeds from issue of perpetual capital securities		296,026	-
Distribution to perpetual capital securities holders		(7,145)	-
Repayment of borrowings		(253,676)	(232,225)
Increase in non-controlling interests		46,983	979
(Decrease)/ increase in deferred income (non-current)		(1,108)	1,789
Proceeds from borrowings		356,619	511,355
Proceeds from loans from minority shareholders		4,800	-
Fixed deposits pledged with financial institutions		(8,728)	(26,595)
Dividend paid to equity holder of the Company		(129,560)	(95,500)
Dividend paid to non-controlling interests		(38,782)	(28,074)
Net cash flows from financing activities		265,429	131,729
Net increase in cash and cash equivalents		121,182	209,570
Cash and cash equivalents at beginning of financial year	17	612,580	409,763
Effects of exchange rate changes on cash and cash equivalents		(2,664)	(2,022)
Cash and cash equivalents at end of financial year	17	731,098	617,311
Comprise cash and cash equivalents of:			
- Continuing operations		731,098	612,580
- Disposal group classified as held for sale	33	-	4,731
	17	731,098	617,311

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

1. Corporate information

Ascendas Pte Ltd (the “Company”) is a limited liability company, which is domiciled and incorporated in Singapore and its immediate and ultimate holding entity is JTC Corporation (“JTC”), a body incorporated by statute in Singapore. The registered office and principal place of business of the Company is located at 61 Science Park Road, #04-01 The Galen, Singapore Science Park II, Singapore 117525.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as disclosed in Note 41 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars and all values presented are rounded to the nearest thousand (\$’000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	1 January 2013
- Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendment to FRS 16 Property, Plant and Equipment	1 January 2013
- Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for Revised FRS 27 and FRS 110, the Group expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1, Revised FRS 27, Revised FRS 28, FRS 110, FRS 111 and FRS 112 are described below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI)

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

The Group is currently determining the impact of the changes to its financial statements.

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group is currently determining the impact of the changes to its financial statements.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.4 Revenue recognition

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

- (a) Premiums received in respect of long term leases are recognised as revenue:
 - on an equal annual basis over the period of the lease in respect of land which are leased for periods substantially shorter than the remaining tenure of the land owned by the Group; or
 - in the year when the leases are entered into in respect of land which are leased for periods substantially the same as the remaining tenure of the land owned by the Group.
- (b) Profits on property development projects are recognised using the completed contract method.
- (c) Revenue from consultancy and turnkey projects is recognised using the completed contract method.
- (d) Rental income receivable from operating leases, less the Group's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

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

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

- (e) Management fees and agency fees from the provision of property management, fund management and other consultancy services are recognised when the services have been rendered.
- (f) Revenue from the generation and supply of power is recognised on an accrual basis, upon rendering of services.
- (g) Dividend income is recognised when the right to receive payment is established.
- (h) Interest income from finance leases is accrued on a time-proportion basis as provided for in the finance lease agreement. Interest income from bank deposits and other interest bearing receivables is accrued on a time-proportion basis using the effective interest method.
- (i) Profits on in-house renovation projects are recognised using the percentage of completion method. Profit is brought to the financial statements only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The percentage of completion is measured with reference to the percentage of costs incurred to date of the estimated total costs for each contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.4 Revenue recognition (continued)

- (j) Sale of completed property:
A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.
- (k) Sales of property under development:
Where property is under development and agreement has been reached to sell such property when construction is complete, the management consider whether the contract comprises:
- A contract to construct a property; or
 - A contract for the sale of a completed property

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

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

- The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer; and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when buyer cannot put the incomplete property back to the Group.

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

2.5 Group accounting

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

Basis of consolidation from 1 April 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries 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 Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

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

Basis of consolidation from 1 April 2010 (continued)

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 within a subsidiary are attributed to the non-controlling interest 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:

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

Basis of consolidation prior to 1 April 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 April 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 April 2010 were not reallocated between non-controlling interest and the equity holders of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 April 2010 have not been restated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

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

Business combinations from 1 April 2010

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

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

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations prior to 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

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

Business combinations prior to 1 April 2010 (continued)

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interest are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separate from the host contract by the acquiree are not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

(b) Transactions with non-controlling interests

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in associated companies in the consolidated balance sheet include goodwill (net of accumulated impairment loss) identified on acquisition. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired. Please refer to Note 2.10 for the Group's accounting policy on goodwill.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

Dilution gains and losses arising from investments in associated companies are recognised in profit or loss.

Please refer to Note 2.13 for the Company's accounting policy on investments in associated companies in the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.5 Group accounting (continued)

(d) Joint venture companies

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group's interest in joint venture companies is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses. Investments in joint venture companies in the consolidated balance sheet include goodwill (net of accumulated impairment loss) identified on acquisition. Please refer to Note 2.10 for the Group's accounting policy on goodwill.

Investments in joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its joint venture companies post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture company.

Unrealised gains on transactions between the Group and its joint venture companies are eliminated to the extent of the Group's interest in the joint venture companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former joint venture company upon loss of joint control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Please refer to Note 2.13 for the Company's accounting policy on investments in joint venture companies in the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.6 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.14).

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure relating to construction are capitalised as capital work-in-progress when incurred and no depreciation is provided until the construction is completed.

(b) Depreciation

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

	<u>Useful lives</u>
Leasehold land	- lease term of 99 years
Buildings on leasehold land	- 30 years
Renovations and improvements	- 3 to 10 years
Computers, furniture and equipment	- 3 to 20 years
Motor vehicles	- 5 years

The residual values, depreciation method and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.7 Investment properties

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

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

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land and investment properties under development are not depreciated. Depreciation on other items of investment properties is calculated using the straight line method to allocate the depreciable amounts over the estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land	- lease terms ranging from 43 to 99 years
Buildings on freehold/leasehold land	- 12 to 50 years
Renovations and improvements	- 3 to 10 years
Plant, machinery and equipment	- 3 to 20 years

The residual values, depreciation method and estimated useful lives of investment properties 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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.8 Properties under development

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

Unsold development properties

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

Sold development properties

Revenue and cost on properties under development that have been sold are recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

2.9 Properties held for sale

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

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

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

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

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

2.10 Goodwill on acquisitions

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.10 Goodwill on acquisitions (continued)

Goodwill recognised separately is tested at least annually for impairment and carried at cost less accumulated impairment losses (Note 2.14).

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

2.11 Fund management rights

(a) Measurement

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

(b) Amortisation

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

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

2.12 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 or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur.

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

2.13 Investments in subsidiary companies, associated and joint venture companies

Investments in subsidiary companies, associated and joint venture companies are carried at cost less accumulated impairment losses (Note 2.14) in the Company's balance sheet. On disposal of investments in subsidiary companies, associated and joint venture companies, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.14 Impairment of non-financial assets

(a) Goodwill

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

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's Cash-Generating-Units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Property, plant and equipment

Investment properties

Investments in subsidiary companies, associated and joint venture companies

Property, plant and equipment, investment properties, both completed and under development, and investment in subsidiary companies, associated and joint venture companies are reviewed for impairment at balance sheet date or whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.14 Impairment of non-financial assets (continued)

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

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this revised recoverable amount does not exceed the carrying amount that would have been determined (net of accumulated 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.

2.15 Financial assets

- (a) *Classification*

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

- (i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as cash and bank balances, deposits and trade and other receivables on the balance sheet.

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

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

- (b) *Recognition and derecognition*

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.15 Financial assets (continued)

(c) *Initial measurement*

Financial assets classified in Note 2.15(a)(i) and (ii) are initially recognised at fair value plus directly attributable transaction costs.

(d) *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value and changes therein, other than impairment losses and currency translation differences on available-for-sale debt securities, are recognised in other comprehensive income and presented in the fair value reserve in equity. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

(e) *Regular way purchase or sale of a financial asset*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(f) *Impairment*

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

(i) *Loans and receivables*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.15 Financial assets (continued)

(f) Impairment (continued)

(i) Loans and receivables (continued)

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

(ii) Available-for-sale financial assets

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

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

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

2.16 Financial guarantees

The Company has issued corporate guarantees to financial institutions for banking facilities granted to its subsidiary companies and joint venture companies. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary companies or the joint venture companies fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the balance sheet of the Group and/or the Company.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' and joint ventures' borrowings, unless it is probable that the Company will reimburse the financial institution for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the financial institution in the balance sheet of the Group and/or the Company.

Intra-group transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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

2.18 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

(b) Subsequent measurement

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 includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.18 Financial liabilities (continued)

(c) 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.

2.19 Derivative financial instruments and hedging activities

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

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

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

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Cash flow hedge - interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in the hedging reserve and transferred to profit or loss when the interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.20 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

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

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

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts due to their short term nature.

2.21 Leases

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

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

(i) Finance leases

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

(ii) Operating leases

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.21 Leases (continued)

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

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

(i) Finance leases

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

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

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

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

(ii) Operating leases

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.22 Income taxes

Current income tax liabilities and assets for the current and prior periods are recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, in the countries where the Group operates and generates taxable income.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiary, associated and joint venture companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiary, associated and joint venture companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Current and deferred taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from fair value gains and losses on available-for-sale financial assets are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.22 Income taxes (continued)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.23 Provisions for other liabilities and charges

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

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Employee compensation

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.25 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Group's financial statements are presented in Singapore Dollar ("SGD"), which is also the Company's functional currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on non-monetary items whereby the gains or losses are recognised directly in equity, such as equity investments classified as available-for-sale financial assets are included in the fair value reserve.

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

The results and financial position of all the Group entities (none of which has the 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 rates at the balance sheet date;
- (ii) income and expenses are translated at average rates; and
- (iii) all resulting exchange differences are recognised in the foreign currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.25 Currency translation (continued)

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 April 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet date. For acquisitions prior to 1 April 2005, the exchange rates at the dates of acquisition are used.

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

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

2.26 Cash and cash equivalents

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

2.27 Share capital

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

2.28 Dividends

Interim dividends are recorded in the financial year in which the dividends are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Perpetual capital securities

Proceeds from issuance of perpetual capital securities are recognised as equity.

Issued costs relate to expenses incurred in issuance of perpetual capital securities and are deducted directly from the perpetual capital securities balances.

2.30 Perpetual capital securities distribution

The distribution on the perpetual capital securities is classified as a separate allocation of retained profits within the equity section of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

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

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. A component of the Group is classified as a “discontinued operation” when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

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

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

2.32 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants are presented in profit or loss under “other income”.

2.33 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 the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

2. Significant accounting policies (continued)

2.33 Related parties (continued)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company 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 entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person is 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 estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Critical accounting estimates and assumptions*

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

(a) Critical accounting estimates and assumptions (continued)

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating units exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is more sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 10 to the financial statements.

Valuation of properties

Management determines the fair value of the properties for purpose of assessing impairment (Note 2.14). The fair values are determined by independent real estate valuation experts using recognised valuation techniques such as the income method, discounted cash flow method and direct comparison method. The income and discounted cash flow methods involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison method involves the comparison of recent sales transactions of similar properties. Management is of the view that the valuation methods and estimates are reflective of the current market condition.

Fair value of financial instruments

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

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

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

Impairment of available-for-sale financial assets

The Group records impairment charges on available-for-sale financial assets when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is below its cost, the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Management is of the view that the factors considered for purpose of determining impairment of available-for-sale financial assets are appropriate and meet the requirements of FRS 39.

Impairment of investment in associated companies

Investment in associated companies is tested for impairment whenever there is any objective evidence or indication that they may be impaired. The Group follows the guidance of FRS 36 in determining when the investment in associated companies is considered impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the recoverable amount of the investment is below its carrying value, the financial health of and near-term business outlook for the associated companies, including factors such as industry and sector performance, changes in technology and operational and financial cash flow. Management is of the view that the factors considered for the purpose of determining impairment are appropriate and meet the requirements of FRS 36.

Classification of property

The Group determines whether a property is classified as investment property or property held for sale:

- Investment property comprises land and buildings (principally completed office buildings and land that is held for a currently undetermined future use) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Property held for sale comprises property that is held for sale in the ordinary course of business. Principally, this is industrial property that the Group develops and intends to sell before or on completion of construction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

4. Revenue

	The Group	
	2013	2012
	\$'000	\$'000
Rental income and service charges from investment properties	149,960	135,336
Sale of completed development properties	1,250	26,585
Fund management fee	87,943	75,918
Property management and other consultancy services	26,306	28,771
Agency fee	23,275	21,891
Revenue from utilities supply and district cooling	11,256	10,033
Carpark income	7,475	10,694
Renovation services	2,711	4,069
Project consultancy and management fee	4,031	3,425
Others	7,864	13,049
	322,071	329,771

Included in rental income from investment properties is an amount of \$4,051,000 (2012: \$4,050,000) relating to amortisation of deferred income in respect of long-term leases (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

5. Other gains/(losses) - net

Other gains/(losses) - net comprise the following:

	Note	The Group	
		2013 \$'000	2012 \$'000
Interest income			
- associated companies		120	676
- financial institutions		6,143	5,463
- finance leases		351	452
- others		1,010	980
Gross dividend income			
- unquoted investments		487	92
Corporate service income		536	686
Amortisation of financial guarantee		1,357	1,945
Gain/(loss) on disposal of			
- investment properties		48,305	105,214
- property, plant and equipment		14,461	294
- subsidiary companies	32	58	(11)
- associated companies		90	(482)
- available-for-sale financial assets		72,513	-
Gain on dilution of interest in associated companies		73,591	30,105
Currency exchange (loss)/ gain		(776)	4,046
Negative goodwill arising on acquisition of a subsidiary company	31	-	3,896
Negative goodwill arising from acquisition of interests in associated companies		12,851	-
Remeasurement of retained interest in associated companies to its fair value		-	29,410
Fair value gain/ (loss) on derivative financial instruments	20	62	(11)
Allowance for impairment of receivables written back/ (made) - net			
- amount owing by associated companies	36(b)(ii)	67	(374)
- other receivables	36(b)(ii)	3,083	(1,625)
Impairment losses written back/(made) - net			
- investment properties	11	2,832	3,299
- associated companies		603	(1,224)
- available-for-sale financial assets	18	(260)	-
Others		974	1,639
		238,458	184,470

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

6. Employee compensation

	The Group	
	2013	2012
	\$'000	\$'000
Salaries, wages and employee benefits	102,557	78,360
Employer's contributions to defined contribution plans including Central Provident Fund ("CPF")	8,616	5,997
	111,173	84,357

7. Other operating expenses

Other operating expenses comprise the following:

	Note	The Group	
		2013	2012
		\$'000	\$'000
Allowance for impairment of receivables made/ (written back) – net			
- trade receivables from non-related parties	36(b)(ii)	773	(57)
- other receivables from investee companies	36(b)(ii)	-	9
Bad debts written off on trade and other receivables – net			
- non-related parties		93	134
Operating lease expense		1,358	1,099
Investment property written off		1,667	-
Property, plant and equipment written off		30	90
De-recognition of goodwill	10(a)(ii)	24,611	-
Professional fees		(1,303)	17,441
Travel-related expenses		2,915	2,735
Advertising and publicity expenses		3,670	2,229
Business taxes		2,721	2,283
Security service expenses		2,103	2,246
Marketing and other agency fees		10,240	10,378
Communication expenses		1,401	1,301
Carpark expenses		1,037	4,095
Shuttle bus service expenses		1,772	1,910
Insurance expenses		1,263	952
Recruitment expenses		1,909	1,513
Office rental and maintenance expenses		5,186	5,243
Directors' fees		2,064	1,594
Others		14,998	11,746
		78,508	66,941

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

8. Finance expense

	The Group	
	2013	2012
	\$'000	\$'000
Interest expense		
- financial institutions	26,159	22,771
- minority shareholders	8,679	8,819
- related companies	34	-
- others	7	8
	34,879	31,598
Cash flow hedges, transfer from hedging reserve upon settlement (Note 27(c))	4,037	3,572
Interest expense capitalised in investment properties	(4,932)	(2,317)
Finance expense recognised in profit or loss	33,984	32,853

The interest expense had been capitalised at rates ranging from 1.17% to 11.00% (2012: 2.00% to 11.00%) per annum for the current financial year.

9. Income taxes

(a) Income tax expense

	The Group	
	2013	2012
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Profit from current financial year		
- current tax expense	32,622	36,823
- deferred tax expense	(28,950)	(968)
	3,672	35,855
(Over)/under provision in respect of prior years		
- current tax expense	(434)	(5,867)
- deferred tax expense	521	18
	87	(5,849)
	3,759	30,006

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. Income taxes (continued)

(a) Income tax expense (continued)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2013 and 2012 is as follows:

	Note	The Group	
		2013	2012
		\$'000	\$'000
Profit before tax from continuing operations		349,778	288,990
Profit before tax from operations related to disposal group held for sale		11,225	118
Accounting profit before tax		361,003	289,108
Income tax using the statutory tax rate of 17% (2012: 17%)		61,371	49,148
Non deductible expenses		14,501	20,876
Income not subject to tax		(41,226)	(37,062)
Effect of different tax rates arising from foreign jurisdictions		5,312	1,181
Utilisation of previously unrecognised tax losses and capital allowances		(182)	(1,391)
Effect of deferred tax assets not recognised		2,087	1,322
Effect of tax incentives		(1,524)	(1,442)
Effect of tax losses not allowed for carry forward		156	292
Under/ (over)provision in respect of prior years		87	(5,849)
Tax on overseas profits to be remitted		100	202
Tax on dividend income from associated companies		11,675	9,034
Share of profit of associated and joint venture companies		(17,384)	(8,078)
Settlement of China capital gains tax under Circular 698	10(a)(ii)	(31,952)	-
Others		738	1,773
Income tax expense recognised in profit or loss		3,759	30,006

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. Income taxes (continued)

(b) Movements in current income tax liabilities

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	105,774	95,946	-	135
Current income tax	32,622	36,823	2	-
Overprovision in respect of prior years	(434)	(5,867)	-	-
Arising from acquisition of subsidiary companies	-	1,761	-	-
Income tax paid	(30,962)	(23,145)	-	(135)
Tax effect of unrealised profits from transactions with associated companies	-	1,242	-	-
Currency translation differences	(648)	(986)	-	-
End of financial year	106,352	105,774	2	-

(c) Deferred income tax assets and liabilities

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 taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:-

	The Group	
	2013	2012
	\$'000	\$'000
Deferred income tax assets:		
- to be recovered within a year	(1,280)	(1,018)
- to be recovered after one year	(2,330)	(1,587)
	(3,610)	(2,605)
Deferred income tax liabilities:		
- to be settled within a year	1,366	330
- to be settled after one year	17,858	47,954
	19,224	48,284
	15,614	45,679

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. Income taxes (continued)

(c) Deferred income tax assets and liabilities (continued)

Movements in deferred income tax account are as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		45,679	9,929
Arising from acquisition of subsidiary companies		-	37,113
Arising from disposal of subsidiary companies		(1,185)	-
Tax (credited)/ debited to equity		(722)	25
Tax charged/ (credited) to profit or loss		3,523	(950)
Settlement of China capital gains tax under Circular 698	10(a)(ii)	(31,952)	-
Currency translation differences		271	(438)
End of financial year		15,614	45,679

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

The Group

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Taxable interest income \$'000	Others \$'000	Total \$'000
2013				
Beginning of financial year	10,367	990	36,927	48,284
Arising from disposal of subsidiary companies	-	-	(1,185)	(1,185)
Tax (credited)/charged to profit or loss	1,213	(27)	(29,268)	(28,082)
Tax credited to equity	-	-	(33)	(33)
Currency translation differences	(109)	-	349	240
End of financial year	11,471	963	6,790	19,224
2012				
Beginning of financial year	6,398	960	3,736	11,094
Arising from acquisition of subsidiary companies	3,708	-	33,532	37,240
Tax (credited)/charged to profit or loss	375	30	(172)	233
Tax debited to equity	-	-	165	165
Currency translation differences	(114)	-	(334)	(448)
End of financial year	10,367	990	36,927	48,284

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

9. Income taxes (continued)

(c) Deferred income tax liabilities and assets (continued)

Deferred income tax assets

	Total \$'000
2013	
Beginning of financial year	(2,605)
Tax credited to equity	(688)
Tax credited to profit or loss	(347)
Currency translation differences	30
End of financial year	<u>(3,610)</u>
2012	
Beginning of financial year	(1,165)
Tax credited to equity	(141)
Tax credited to profit or loss	(1,184)
Arising from acquisition of subsidiary companies	(126)
Currency translation differences	11
End of financial year	<u>(2,605)</u>

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

	The Group	
	2013	2012
	\$'000	\$'000
Deductible temporary differences	1,679	2,016
Unabsorbed tax losses	38,636	44,384
	40,315	46,400

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

10. Intangible assets

The Group

	Note	Goodwill \$'000	Fund management rights \$'000	Total \$'000
2013				
Cost				
Beginning of financial year		136,149	-	136,149
Additions		-	4,968	4,968
Derecognition		(24,611)	-	(24,611)
Currency translation differences		243	227	470
End of financial year		111,781	5,195	116,976
Accumulated amortisation and impairment				
Beginning of financial year		-	-	-
Amortisation for the year		-	(220)	(220)
Currency translation differences		-	(3)	(3)
End of financial year		-	(223)	(223)
Net book value				
End of financial year		111,781	4,972	116,753
2012				
Cost				
Beginning of financial year		111,781	-	111,781
Arising from acquisition of a subsidiary company	31	24,611	-	24,611
Currency translation differences		(243)	-	(243)
End of financial year		136,149	-	136,149
Accumulated amortisation and impairment				
Beginning and end of financial year		-	-	-
Net book value				
End of financial year		136,149	-	136,149

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

10. Intangible assets (continued)

(a) Goodwill

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash-Generating-Units ("CGUs") identified according to country of operation and business segment.

- (i) Goodwill allocated to the Group's fund management CGU in Singapore amounted to \$111,781,000 (2012: \$111,781,000). The recoverable amount of the CGU was determined based on value-in-use calculations. Cash flow projections used in these calculations were based on financial forecast covering a 10-year period. The 10-year forecast is reviewed, updated and approved by management on an annual basis. Cash flows beyond the 10-year period were extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations

	The Group	
	2013	2012
Growth rate ⁽¹⁾	1%	1%
Discount rate ⁽²⁾	7.35%	8.37%

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

⁽²⁾ Weighted-average cost of capital

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

- (ii) This relates to the deferred tax liability that have been applied to the fair value adjustment to the net assets of a subsidiary company on acquisition date in determination of goodwill recognised in the prior year. For impairment assessment purposes, the goodwill is considered together with the associated deferred tax liability.

In the current financial year, following the settlement of China capital gains tax under Circular 698 by the seller, which led to certainty on the tax base for the subsidiary, the deferred tax liability of S\$31,952,000 has been extinguished. Consequently, the goodwill of S\$24,611,000 was de-recognised and taken in profit or loss under "Other expenses".

(b) Fund management rights

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

Management rights with finite lives are subject to amortisation and are tested for impairment at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

11. Investment properties

	Note	The Group	
		2013 \$'000	2012 \$'000
Cost			
Beginning of financial year		1,809,175	1,478,053
Additions		517,628	224,087
Disposals/write-offs		(54,246)	(129,178)
Arising from acquisition of subsidiary companies	31	-	346,537
Arising from disposal of subsidiary companies		(35,118)	-
Transfer from property, plant and equipment	12	497	1,620
Transfer to properties under development	19	-	(72,395)
Transfer to properties held for sale		-	(561)
Attributable to disposal group classified as held for sale	33	36,037	(36,037)
Currency translation differences		(4,515)	(2,951)
End of financial year		2,269,458	1,809,175
Accumulated depreciation and impairment			
Beginning of financial year		298,859	329,574
Depreciation charge		44,875	39,066
Reversal of impairment charge	5	(2,832)	(3,299)
Disposals/write-offs		(13,595)	(69,474)
Arising from acquisition of subsidiary companies	31	-	34,002
Arising from disposal of subsidiary companies		(8,871)	-
Transfer to properties under development	19	-	(22,675)
Transfer to properties held for sale		-	(50)
Attributable to disposal group classified as held for sale	33	8,517	(8,517)
Currency translation differences		107	232
End of financial year		327,060	298,859
Net book value			
End of financial year		1,942,398	1,510,316

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

11. Investment properties (continued)

- (i) Included in additions are investment properties acquired under credit terms amounting to \$17,508,000 (2012: \$169,000).
- (ii) Investment properties are leased to non-related parties under operating leases (Note 37).
- (iii) Investment properties with net book values of \$835,950,000 (2012: \$550,873,000) were pledged as security against loans from minority shareholders (Note 23) and bank loans (Note 24).
- (iv) Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Valuations are made annually based on the properties' highest-and-best use using the income method, discounted cash flow method and direct comparison method. The fair values of the investment properties as at the balance sheet date as determined by independent professional valuers and including the premium received or receivable in advance in respect of land leases contracted at the balance sheet date (Note 25), are as follows:-

	The Group	
	2013	2012
	\$'000	\$'000
Fair value	2,610,300	2,139,802

- (v) The following amounts are recognised in profit or loss:-

	The Group	
	2013	2012
	\$'000	\$'000
Rental income from investment properties	149,960	135,336
Direct operating expenses (including repairs and maintenance) arising from :		
- Rental generating properties	(86,409)	(80,880)
- Non-rental generating properties	(6,967)	(6,295)

- (vi) In March 2010, a subsidiary company of the Group successfully concluded the sale of an investment property to an associated company of the Group. Under the terms of the sale, the subsidiary company agreed to indemnify the associated company for claims made against the associated company by the head lessee for any major disruption that may arise from the proposed construction of an MRT line in the vicinity of the investment property. Management is confident that the likelihood of such claims occurring and/or succeeding is remote given that certain conditions need to be fulfilled before the associated company can successfully file such claims.
- (vii) During the financial year, borrowing cost of \$4,932,000 (2012: \$2,317,000), arising from borrowings obtained specifically for certain investment properties were capitalised. The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 1.17% to 11.00% (2012: 2.00% to 11.00%), which is the effective interest rate of the specific borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12. Property, plant and equipment

The Group

	Note	Leasehold land \$'000	Buildings on leasehold land \$'000	Renovations and improvements \$'000	Computers, furniture and equipment \$'000	Motor vehicles \$'000	Capital work-in- progress \$'000	Total \$'000
2013								
Cost								
Beginning of financial year		4,740	7,167	5,138	30,555	802	414	48,816
Additions		-	-	520	3,538	-	953	5,011
Disposals/write-offs		(4,740)	(7,167)	(660)	(1,163)	(125)	-	(13,855)
Release from disposal of subsidiaries		-	-	(106)	-	-	-	(106)
Transfers /Reclassifications		-	-	9	336	-	(348)	(3)
Transfer to investment properties	11	-	-	-	-	-	(497)	(497)
Attributable to disposal group classified as held for sale		-	-	109	-	-	-	109
Currency translation differences		-	-	(3)	(145)	(3)	#	(151)
End of financial year		-	-	5,007	33,121	674	522	39,324
Accumulated depreciation and impairment								
Beginning of financial year		(463)	(2,264)	(3,652)	(22,194)	(359)	-	(28,932)
Depreciation charge		-	-	(921)	(4,334)	(121)	-	(5,376)
Disposals/write-offs		463	2,264	558	261	106	-	3,652
Release from disposal of subsidiaries		-	-	54	-	-	-	54
Transfers /Reclassifications		-	-	-	3	-	-	3
Attributable to disposal group classified as held for sale		-	-	(49)	-	-	-	(49)
Currency translation differences		-	-	(6)	123	2	-	119
End of financial year		-	-	(4,016)	(26,141)	(372)	-	(30,529)
Net book value								
End of financial year		-	-	991	6,980	302	522	8,795

Less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

12. Property, plant and equipment (continued)

The Group

	Note	Leasehold land \$'000	Buildings on leasehold land \$'000	Renovations and improvements \$'000	Computers, furniture and equipment \$'000	Motor vehicles \$'000	Capital work-in- progress \$'000	Total \$'000
2012								
Cost								
Beginning of financial year		4,740	7,167	4,871	25,359	925	1,083	44,145
Additions		-	-	510	3,718	290	2,874	7,392
Disposals/write-offs		-	-	(385)	(324)	(429)	-	(1,138)
Arising from acquisition of a subsidiary company	31	-	-	-	258	-	-	258
Transfers /Reclassifications		-	-	245	1,676	-	(1,921)	-
Transfer to investment properties	11	-	-	-	-	-	(1,620)	(1,620)
Attributable to disposal group classified as held for sale	33	-	-	(109)	-	-	-	(109)
Currency translation differences		-	-	6	(132)	16	(2)	(112)
End of financial year		4,740	7,167	5,138	30,555	802	414	48,816
Accumulated depreciation and impairment								
Beginning of financial year		(411)	(2,011)	(3,146)	(18,684)	(616)	-	(24,868)
Depreciation charge		(52)	(253)	(859)	(3,784)	(124)	-	(5,072)
Disposals/write-offs		-	-	304	291	394	-	989
Arising from acquisition of a subsidiary company	31	-	-	-	(166)	-	-	(166)
Attributable to disposal group classified as held for sale	33	-	-	49	-	-	-	49
Currency translation differences		-	-	-	149	(13)	-	136
End of financial year		(463)	(2,264)	(3,652)	(22,194)	(359)	-	(28,932)
Net book value								
End of financial year		4,277	4,903	1,486	8,361	443	414	19,884

- (a) Included in additions are property, plant and equipment acquired on credit terms amounting to \$969,000 (2012: \$2,306,000). The cash outflow on acquisition of property, plant and equipment amounted to \$4,042,000 (2012: \$5,086,000).
- (b) The recoverable amounts of land and buildings were assessed on the basis of open market values by independent professional valuers at 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

13. Investments in subsidiary companies

	Note	The Company	
		2013 \$'000	2012 \$'000
Cost			
Beginning of financial year		801,820	801,398
Additions		-	422
End of financial year	41	801,820	801,820

Details of subsidiary companies are included in Note 41.

14. Investments in associated and joint venture companies

	Note	The Group	
		2013 \$'000	2012 \$'000
Investment in associated companies			
Quoted equity investments, at cost		933,468	718,046
Unquoted equity investments, at cost		523,780	542,577
	42	1,457,248	1,260,623
Add/ (Less):			
Goodwill written off		(4,258)	(4,258)
Impairment		(623)	(1,226)
Share of post-acquisition reserves		(136,406)	(112,774)
Share of post-acquisition losses		(407,394)	(282,027)
Dilution of interest in associated companies		168,336	94,745
Currency translation differences		(4,073)	(4,098)
		1,072,830	950,985
Investment in joint venture companies			
Unquoted equity investments, at cost	42	57,283	56,861
Less:			
Share of post-acquisition reserves		-	(42)
Share of post-acquisition losses		(18,827)	(19,240)
Currency translation differences		(109)	(78)
		38,347	37,501
Total investments in associated and joint venture companies		1,111,177	988,486

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

- (a) The summarised financial information of associated companies, stated at cost and not adjusted for the proportion of ownership interest held by the Group, are as follows:

	The Group	
	2013	2012
	\$'000	\$'000
- assets	8,989,228	8,152,924
- liabilities	3,877,187	4,026,340
- revenue	901,331	751,167
- net profit	328,376	277,820
Share of associated companies' contingent liabilities incurred jointly with other investors	15,190	24,405
Contingent liabilities for which the Group is severally liable	10,713	91,102

The Group has not recognised profits amounting to \$6,000 (2012: \$63,000) for certain associated companies because the Group's share of cumulative losses has exceeded its interest in these associated companies and the Group has no obligations in respect of these losses. The accumulated profits/ (losses) not recognised were \$449,000 (2012: -\$423,000). However, the Group has recognised a cumulative allowance for impairment of \$1,933,000 (2012: \$2,822,000) for the loans and advances to these associated companies.

Negative goodwill arising from the Group's acquisition of interests in associated companies is included in "Other gains/(losses) – net" (Note 5).

Details regarding associated companies are included in Note 42.

The Group's investment in associated companies include investments in listed associated companies with a carrying amount of \$779,680,000 (2012: \$564,193,000) for which the published price quotations are \$1,463,919,000 (2012: \$979,211,000) at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

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

- (b) The Group's investment in the joint venture companies are equity-accounted for in the consolidated balance sheet and profit or loss. The following amounts represent the Group's effective share of the assets and liabilities and income and expenses of the joint venture companies as at 31 March 2013 and 31 March 2012 should proportionate consolidation be adopted.

	The Group	
	2013	2012
	\$'000	\$'000
Current assets	187,422	164,855
Non-current assets	203,547	152,181
	390,969	317,036
Current liabilities	69,766	49,317
Non-current liabilities	282,856	231,152
	352,622	280,469
Share of net assets	38,347	36,567
Revenue	28,099	10,598
Expenses	(26,329)	(13,503)
Net gain/ (loss)	1,770	(2,905)
Capital commitments in relation to interest in joint venture	84,050	104,050
Proportionate interest in joint venture's capital commitments	-	91,102

Details regarding the joint venture companies are included in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. Loans and receivables

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade and other receivables - current					
Finance lease receivables	16	1,400	1,292	-	-
Trade receivables					
- non-related parties		12,908	6,697	-	-
- holding company		1,148	596	-	-
- associated companies		16,916	28,630	-	-
- joint venture companies		540	595	-	-
		31,512	36,518	-	-
Less: Allowance for impairment of trade receivables					
- non-related parties	36(b)(ii)	(782)	(10)	-	-
- associated companies	36(b)(ii)	(1,906)	(1,974)	-	-
Trade receivables - net		30,224	35,826	-	-
Other receivables					
- non-related parties		91,776	55,481	-	12
- subsidiary companies		-	-	1,404,764	977,370
- associated companies		6,523	3,141	3	1
- joint venture companies		1,530	-	-	-
- investee companies		64	60	-	-
		99,893	58,682	1,404,767	977,383
Loan to associated company		-	5,555	-	-
Less: Allowance for impairment of other receivables					
- non-related parties		(1,922)	(4,934)	-	-
- associated companies		(27)	(27)	-	-
- investee companies		(9)	(9)	-	-
	36(b)(ii)	(1,958)	(4,970)	-	-
		128,159	95,093	1,404,767	977,383
Trade and other receivables - non current					
Finance lease receivables	16	2,188	3,588	-	-
Trade receivables - non-related parties		7,117	9,521	-	-
Other receivables					
- non-related parties		-	132	-	-
- loan to joint venture company		74,000	54,000	-	-
- loans to associated companies		-	821	-	-
		74,000	54,953	-	-
Less: Allowance for impairment of receivables					
- loans to associated companies		-	(821)	-	-
Other receivables - net		74,000	54,132	-	-
		83,305	67,241	-	-
Add : Cash and bank balances	17	799,148	669,550	119,493	195,037
Total loans and receivables		1,010,612	831,884	1,524,260	1,172,420

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

15. Loans and receivables (continued)

(a) *Trade and other receivables - current*

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

Other receivables from non-related parties comprise mainly accrued sales, GST receivables and recoverables.

In 2012, a loan to associated company was unsecured and repayable on demand with interest charged ranging from 5.98% to 7.03% per annum.

(b) *Trade and other receivables - non current*

(i) Finance lease receivables

In 2001, the finance lease receivables were receivable over 156 months commencing June 2003. In 2002, the payment schedule was revised such that the balance is receivable over 180 months commencing June 2001. Interest is charged at 8.16% (2012: 8.16%) per annum.

(ii) Loans to joint venture company

	The Group	
	2013	2012
	\$'000	\$'000
Interest-bearing loans	74,000	54,000

The management of the parties involved do not intend for the loans to be repaid within the next 12 months. In respect of the interest-bearing loans, interest was charged at rate of 1.00% (2012: 1.00%) per annum. The fair value of the loan receivable from the joint venture company is not determinable as there is no fixed repayment term.

(iii) The fair values of the non-current trade and other receivables approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

16. Finance lease receivables

	The Group	
	2013 \$'000	2012 \$'000
Gross receivables due:		
- not later than one year	1,641	1,643
- later than one year and not later than five years	2,324	3,965
- later than five years	-	-
	3,965	5,608
Less: Unearned finance income	(377)	(728)
Net investment in finance leases	3,588	4,880

The net investment in finance leases may be analysed as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
Not later than one year	15	1,400	1,292
Later than one year :			
- later than one year and not later than five years		2,188	3,588
- later than five years		-	-
	15	2,188	3,588
		3,588	4,880

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

17. Cash and bank balances

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand				
- continuing operations	289,431	312,382	14,489	184,037
- operations related to disposal group classified as held for sale	-	4,731	-	-
	289,431	317,113	14,489	184,037
Fixed deposits	509,717	352,437	105,004	11,000
Cash and bank balances	799,148	669,550	119,493	195,037
Less: Non-current fixed deposits pledged	(33,808)	(33,489)		
Less: Current fixed deposits pledged	(27,124)	(18,750)		
Less: Non-current restricted cash	(5,472)	-		
Less: Current restricted cash	(1,646)	-		
Cash and cash equivalents in the consolidated cash flow statement	731,098	617,311		
Non-current portion	39,280	33,489		
Current portion	759,868	631,330		
	799,148	664,819		

Non-current fixed deposits of the Group consist of deposits of:

- (i) \$28,273,000 (2012: \$28,273,000) and \$4,087,000 (2012: \$4,071,000) pledged to financial institutions for banking facilities granted to subsidiaries and an associated company respectively.
- (ii) \$1,400,000 (2012: \$1,145,000) pledged to lenders of a subsidiary company in respect of deposits put up by tenants of the subsidiary company.
- (iii) \$48,000 (2012: nil) pledged for bankers guarantee issued.

Current fixed deposits of the Group consist of deposits of:

- (i) \$20,245,000 (2012: \$18,750,000) pledged to lenders of a subsidiary company in respect of deposits put up by tenants of the subsidiary company.
- (ii) \$655,000 (2012: nil) pledged for security deposits for tenants;
- (iii) \$6,224,000 (2012: nil) pledged to financial institutions for banking facilities.

Restricted cash under the Group's cash and cash equivalents of \$7,118,000 (2012: nil) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

18. Available-for-sale financial assets

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		60,111	60,263
Additions		5,604	-
Disposal		(84,001)	-
Fair value gains/ (losses) recognised in equity	27(b)	43,614	(152)
Impairment losses	5	(260)	-
End of financial year		25,068	60,111
Non-current portion		25,068	23,555
Current portion		-	36,556
		25,068	60,111

Available-for-sale financial assets are analysed as follows:

	The Group	
	2013 \$'000	2012 \$'000
Quoted equity securities	-	36,556
Unquoted equity securities	25,068	23,555
	25,068	60,111

19. Properties under development

	Note	The Group	
		2013 \$'000	2012 \$'000
Land and other related costs		47,071	46,370
Development cost		31,161	5,262
		78,232	51,632
Transfer from investment properties	11	-	49,720

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

20. Derivative financial instruments

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		(2,504)	(2,639)
Fair value losses included in profit or loss - other gains/(losses) - net	5	62	(11)
Fair value loss included in equity	27(c)	(8,152)	(3,426)
Cash settlement		4,226	3,572
End of financial year		(6,368)	(2,504)

Analysed as:

	Contract/ notional amount \$'000	2013 Fair values		Contract/ notional amount \$'000	2012 Fair values	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
		Cash flow hedges				
Interest rate swaps	600,000	385	(6,805)	399,000	211	(2,705)
Fair value hedges						
Forward contracts	17,464	2,918	(2,866)	8,177	1,989	(1,999)
		3,303	(9,671)		2,200	(4,704)
Less: Current portion		(186)	20		(30)	392
Non-current portion		3,117	(9,651)		2,170	(4,312)

The fixed interest rates on interest rate swaps vary from 0.51% to 2.16% (2012: 0.63% to 2.16%) per annum and the floating interest rates are based on 3-month Swap Offer Rate.

Period when the cash flows on cash flow hedges are expected to occur or affect profit or loss

Interest rate swaps are entered to hedge floating quarterly interest payments on borrowings that will mature on 30 March 2015, 31 March 2015, 30 June 2015, 30 December 2016, 29 December 2017, 30 December 2017, 24 September 2018 and 29 September 2019 respectively. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to profit or loss as part of interest expense over the period of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

21. Trade and other payables

	Note	The Group		The Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables					
- non-related parties		28,846	4,329	-	-
- holding company		9	-	-	-
- associated companies		1	-	-	-
- joint venture companies		1	-	-	-
		28,857	4,329	-	-
Other payables					
- non-related parties		78,368	41,283	1,374	1,400
- subsidiary companies		-	-	655,128	861,663
- associated companies		13	7	-	-
- other related companies		-	3	-	-
		78,381	41,293	656,502	863,063
Accrued operating expenses		84,802	58,226	992	755
Rental and other deposits		38,640	44,901	-	-
Deferred income on long term leases					
- current portion	25	4,051	4,050	-	-
Deferred income		108,262	13,580	-	-
Financial guarantee contracts		-	935	-	3,247
Total trade and other payables		342,993	167,314	657,494	867,065
Add/(less):					
Deferred income on long term leases					
- current portion	25	(4,051)	(4,050)	-	-
Deferred income		(108,262)	(13,580)	-	-
Borrowings	24	1,050,541	948,934	361,776	248,570
Other payables - non-current	22	42,612	45,701	-	-
Loans from minority shareholders	23	139,200	138,462	-	-
Total financial liabilities carried at amortised cost		1,463,033	1,282,781	1,019,270	1,115,635

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

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

Deferred income relates to the progress payment received for sales of properties under development.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

22. Other payables – non-current

Other payables represent mainly deposits received from tenants. The fair values of non-current other payables approximate their carrying amounts.

23. Loans from minority shareholders

During the financial year, a loan from a minority shareholder amounting to \$4,062,000 (2012: \$4,062,000) was novated to a subsidiary for notional amount of \$1.

New loan of \$4,800,000 (2012: nil) was obtained from another minority shareholder. The loan is unsecured and interest-free. Although there are no fixed terms of repayment for these loans, the management of the parties involved do not intend for the loan balance to be repaid within the next 12 months. Accordingly, the fair value of the loan is not determinable as there is no fixed term of repayment.

The loan from other minority shareholders amounting to \$134,400,000 (2012: \$134,400,000) is secured by investment properties amounting to \$310,802,000 (2012: \$314,735,000) and repayable on 27 May 2015. Interest is charged at 6.50% (2012: 6.50%) per annum. The fair value of the loan is \$137,468,000 (2012: \$137,149,000) discounted at market borrowing rate of 4.89% (2012: 5.41%) per annum.

24. Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and currency risks, refer to Note 36.

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured bank loans	-	214,000	-	-
Secured bank loans	35,901	46,411	-	-
	35,901	260,411	-	-
Non-current				
Unsecured medium term note	49,942	49,888	49,942	49,888
Unsecured bank loans	590,852	477,431	311,834	198,682
Secured bank loans	373,846	161,204	-	-
	1,014,640	688,523	361,776	248,570
Total	1,050,541	948,934	361,776	248,570

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

24. Borrowings (continued)

Terms and debt repayment schedule

The Group

	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
2013				
Unsecured medium term notes				
- SGD note fixed at 5.15% per annum*	49,942	-	49,942	-
	49,942	-	49,942	-
Unsecured bank loans				
- SGD term loans variable at 0.82% to 1.50% per annum	590,852	-	478,011	112,841
	590,852	-	478,011	112,841
Secured bank loans				
- RMB term loan variable at 5.76% to 7.04% per annum	125,947	10,184	75,644	40,119
- SGD term loans variable at 1.07% to 1.48% per annum	178,214	24,682	21,000	132,532
- USD term loans variable at 1.71% to 2.03% per annum	9,385	-	9,385	-
- INR term loans fixed at 11.00% per annum	23,000	-	23,000	-
- INR term loan variable at 12.25% to 16.0% per annum	3,702	1,035	2,667	-
- KRW term loan fixed at 5.40% and 7.50% per annum	69,499	-	20,384	49,115
	409,747	35,901	152,080	221,766
Total	1,050,541	35,901	680,033	334,607

* \$50,000,000 fixed rate notes less unamortised bank fees of \$58,000.

- (a) The \$50,000,000 Fixed Rate Notes due on 2014 was issued on 29 April 2009 under the \$1,000,000,000 Multicurrency Medium Term Note ("MTN") Programme by the Company. The notes are unsecured and repayable on 29 April 2014 with interest charged at 5.15% (2012: 5.15%) per annum.
- (b) The SGD term loan is secured by investment properties amounting to \$245,674,000 (2012: nil).
- (c) The RMB and USD term loans are secured by investment properties amounting to \$201,076,000 (2012: \$204,891,000).
- (d) The INR term loan is secured by investment properties amounting to \$8,670,000 (2012: \$16,992,000).
- (e) The KRW term loan is secured by investment properties amounting to \$380,530,000 (2012: \$314,735,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

24. Borrowings (continued)

Terms and debt repayment schedule

The Group

	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
2012				
Unsecured medium term notes				
- SGD note fixed at 5.15% per annum*	49,888	-	49,888	-
	<u>49,888</u>	<u>-</u>	<u>49,888</u>	<u>-</u>
Unsecured bank loans				
- SGD term loans fixed at 2.64% per annum	100,000	100,000	-	-
- SGD term loans variable at 0.61% to 1.50% per annum	591,431	114,000	279,143	198,288
	<u>691,431</u>	<u>214,000</u>	<u>279,143</u>	<u>198,288</u>
Secured bank loans				
- RMB term loan variable at 5.18% to 7.59% per annum	99,480	17,419	82,061	-
- SGD term loans variable at 1.21% to 1.35% per annum	28,790	-	28,790	-
- USD term loans variable at 1.84% to 2.26% per annum	28,092	28,092	-	-
- INR term loans fixed at 9.20% and 11.00% per annum	25,900	900	25,000	-
- INR term loan variable at 14.75% to 16.00% per annum	4,969	-	4,969	-
- RRW term loan fixed at 6.50% per annum	20,384	-	20,384	-
	<u>207,615</u>	<u>46,411</u>	<u>161,204</u>	<u>-</u>
Total	<u>948,934</u>	<u>260,411</u>	<u>490,235</u>	<u>198,288</u>

* \$50,000,000 fixed rate notes less unamortised bank fees of \$112,000.

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

The fair values of the borrowings at fixed rate are \$146,050,000 (2012: \$198,827,000) in aggregate. The fair values are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing arrangements at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

25. Deferred income on long term leases

Deferred income relates principally to premium received or receivable in advance in respect of land leases and the amount is amortised to profit or loss in accordance with the policy of the Group.

	Note	The Group	
		2013 \$'000	2012 \$'000
Within 12 months	21	4,051	4,050
After 12 months		165,770	170,929
		169,821	174,979

26. Share capital

The Company's share capital comprises fully paid-up 585,622,000 (2012: 585,622,000) ordinary shares with no par value, amounting to a total of \$585,622,000 (2012: \$585,622,000).

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

27. Fair value and other reserves

	Note	The Group	
		2013 \$'000	2012 \$'000
Foreign currency translation reserve	(a)	(174,635)	(141,402)
Fair value reserve	(b)	17	20,038
Hedging reserve	(c)	(10,536)	(12,174)
Other reserves	(d)	13,093	12,303
Premium received from acquisition of non-controlling interests		4,469	665
		(167,592)	(120,570)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. Fair value and other reserves (continued)

(a) *Foreign currency translation reserve*

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		(141,402)	(116,485)
Exchange differences arising on translation of foreign subsidiary companies and associated and joint venture companies		(3,438)	(8,329)
Release on disposal of subsidiary companies	32	(1,670)	11
Release on disposal of associated and joint venture companies		876	1,564
Reserve attributable to disposal group classified as held for sale		-	(406)
Share of translation reserve of associated and joint venture companies		(29,001)	(17,757)
End of financial year		(174,635)	(141,402)

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

(b) *Fair value reserve*

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		20,038	20,190
Fair value gains/ (losses) on available-for-sale financial assets	18	43,614	(152)
Reclassification to profit or loss following disposal		(63,635)	-
End of financial year		17	20,038

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

27. Fair value and other reserves (continued)

(c) *Hedging reserve*

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		(12,174)	(11,335)
Fair value losses on cash flow hedges	20	(8,152)	(3,426)
Tax on fair value losses		722	(25)
Reclassification to properties under development upon settlement		189	-
Reclassification to profit or loss - finance expense upon settlement	8	4,037	3,572
Share of hedging reserve of associated and joint venture companies		5,167	(1,343)
Non-controlling interests' share of hedging reserve		(325)	383
End of financial year		(10,536)	(12,174)

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

(d) *Other reserves*

	Note	The Group	
		2013 \$'000	2012 \$'000
Beginning of financial year		12,303	10,926
Transfer from revenue reserve		866	1,272
Release on disposal of associated and joint venture companies		(90)	294
Share of other reserve of associated and joint venture companies		14	(189)
End of financial year		13,093	12,303

Other reserves relate primarily to amounts transferred from revenue reserve in compliance with local laws by overseas subsidiary companies and are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

28. Revenue reserve

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

	Note	The Company	
		2013	2012
		\$'000	\$'000
Beginning of financial year		272,992	69,443
Net profit for the financial year		288,899	299,049
Dividends	29	(129,560)	(95,500)
Distribution to perpetual capital securities holders		(7,145)	-
End of financial year		425,186	272,992

29. Dividends

	The Company	
	2013	2012
	\$'000	\$'000
<i>Ordinary dividends paid</i>		
Final tax-exempt dividend in respect of the previous financial year of 22.1 cents (2012: 16.3 cents) per share	129,560	95,500

30. Perpetual Capital Securities

On 18 April 2012, the Company issued and listed \$300 million in aggregate principal amount of 4.75% perpetual capital securities (the "Securities") on the Official List of the Singapore Exchange Securities Trading Limited. The Securities are issued in denominations of \$250,000, will be perpetual and will confer a right to receive distribution payments at a rate of 4.75% per annum, with a distribution rate reset on 18 April 2017. The distribution rate will be subject to a step-up on 18 April 2022 and followed by a distribution rate reset every five years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be cumulative in accordance with the terms and conditions of the Securities. The cost associated with the listing of the Securities is approximately \$3.9 million.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

31. Acquisition of subsidiary companies

During the previous financial year, the Group acquired the following subsidiary companies for a total consideration of \$197,734,000.

Name of Subsidiary	Date Acquired	Effective Interest Acquired
Singapore Suzhou Industrial Holdings Pte Ltd	3 October 2011	100%
Ascendas Xinsu Development (Suzhou) Co Ltd	3 October 2011	100%
Teletech Park Pte Ltd	15 December 2011	75%

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

	Note	The Group	
		2013 \$'000	2012 \$'000
Investment properties	11	-	312,535
Property, plant and equipment	12	-	92
Other non-current assets		-	1,454
Current assets		-	39,188
Current liabilities		-	(39,940)
Non-current liabilities		-	(125,413)
Identifiable net assets acquired		-	187,916
Negative goodwill arising on acquisition of a subsidiary company	5	-	(3,896)
Goodwill arising from acquisition	10	-	24,611
Remeasurement of retained interest in an associated company to its fair value		-	(4,262)
Retained interest in former investment		-	(6,622)
Total consideration		-	197,747
Cash consideration paid		-	(197,747)
Add: Cash of subsidiary companies acquired		-	35,097
Net cash outflow		-	(162,650)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

32. Disposal of subsidiary companies

During the current financial year, the Group disposed of the following subsidiary companies for a total consideration of \$86,634,000.

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Ascendas Hospitality Australia Investment Fund No. 1	27 July 2012	80%
Ascendas Hospitality Australia Investment Fund No. 2		80%
Ascendas Hospitality Japan 1 Pte Ltd		100%
Ascendas Hospitality Japan 2 Pte Ltd		100%
Ascendas Hospitality Japan 3 Pte Ltd		100%
Ascendas Ariake Godo Kaisha		100%
Ascendas Hospitality Operations Pty Ltd		100%
Ascendas Hospitality China Pte Ltd		100%
Ascendas Hospitality Australia Investments Pte Ltd		100%
Ascendas Hospitality Tokutei Mokuteki Kaisha		100%
Ascendas Hospitality Australia Fund		100%
Ascendas Hospitality Australia Sub-Fund 1		100%

During the previous financial year, the Group disposed of 100% of Ascendas Services Beijing Co. Ltd for a consideration of \$50,000.

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

	Note	The Group	
		2013	2012
		\$'000	\$'000
Investment in associated companies		(110,135)	-
Current assets		(175)	(50)
Current liabilities		1,085	-
Non-current liabilities		1,185	-
Net assets disposed		(108,040)	(50)
Less: Non-controlling interest		21,793	-
Net assets disposed		(86,247)	(50)
Transfer from foreign currency translation reserve	27(a)	1,670	(11)
Sales consideration		86,634	50
		2,057	(11)
Less:			
Dividends post-disposal		886	-
Provision for probable loss		(2,885)	-
Gain / (loss) on disposal of subsidiary companies	5	58	(11)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

32. Disposal of subsidiary companies (continued)

	Note	The Group	
		2013	2012
		\$'000	\$'000
Sales consideration		86,634	50
Less: Cash of subsidiary companies disposed		(107)	(50)
Investment in associated company		(86,632)	-
Net cash outflow		(105)	-

33. Discontinued operation and disposal group classified as held for sale

In the previous financial year, the Company signed a share transfer agreement to sell 100% of its equity shares in its subsidiary, Ascendas Development (Nanjing) Co., Ltd ("ADNJ") to Nanjing Shuntian Industrial Co., Ltd, a 3rd party buyer. The transfer of ownership was completed on 30 November 2012 for a cash consideration of RMB101,813,520.

As at 31 March 2012, the assets and liabilities related to ADNJ have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented separately on profit and loss as "Loss from operations related to disposal group classified as held for sale, net of tax".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

33. Discontinued operation and disposal group classified as held for sale (continued)

Balance sheet disclosures

The major classes of assets and liabilities of ADNJ classified as held for sale and the related foreign currency translation reserve as at 31 March are as follows:

	Note	The Group	
		2013 \$'000	2012 \$'000
Assets:			
Investment properties	11	-	27,520
Property, plant and equipment	12	-	60
Other non-current assets		-	10
Trade and other receivables		-	753
Cash and bank balances	17	-	4,731
Assets of disposal group classified as held for sale		-	33,074
Liabilities:			
Trade and other payables		-	23,649
Other non-current payables		-	848
Liabilities directly associated with disposal group classified as held for sale		-	24,497
Reserve:			
Foreign currency translation reserve		-	406

Income statement disclosures

	The Group	
	2013 \$'000	2012 \$'000
Revenue	2,599	3,032
Expenses	(1,607)	(1,958)
Profit from operations	992	1,074
Gain on disposal of subsidiary	10,233	-
Finance costs	-	(956)
Profit from operations related to disposal group classified as held for sale, net of tax	11,225	118
Other comprehensive income from operations related to disposal group classified as held for sale, net of tax	(406)	184

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

33. Discontinued operation and disposal group classified as held for sale (continued)

Cash flow statement disclosures

The cash flows attributable to ADNJ are as follows:

	The Group	
	2013	2012
	\$'000	\$'000
Operating	(5,037)	(1,826)
Investing	577	-
Financing	-	6,011
Net cash inflow	(4,460)	4,185

Earnings per share disclosures

	2013	2012
Earnings per share from operations related to disposal group classified as held for sale attributable to equity holders of the Company (cents)		
Basic	#	#
Diluted	#	#

denotes less than 0.1 cent

The basic and diluted earnings per share from operations related to disposal group classified as held for sale are calculated by dividing the profit from operations related to disposal group classified as held for sale, net of tax, attributable to equity holder of the Company by the weighted average number of ordinary shares for basic and diluted earnings per share computation respectively. These profit and share data are presented in the table in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

34. Earnings per share

(a) Continuing operations

The basic and diluted earnings per share for continuing operations for the year ended 31 March 2013 and 31 March 2012 was based on profit attributable from continuing operations to ordinary shareholder of \$328,685,000 and \$247,470,000 respectively; and weighted average number of ordinary shares outstanding of 585,622,000 and 585,622,000 respectively, calculated as follows:

	The Group	
	2013	2012
	\$'000	\$'000
Profit for the year attributable to equity shareholder of the Company	339,910	247,588
Less: Profit from operations related to disposal group classified as held for sale, net of tax, attributable to equity shareholder of the Company	11,225	118
Profit from continuing operations, net of tax, attributable to equity shareholder of the Company used in the computation of basic and diluted earnings per share from continuing operations	328,685	247,470
	2013	2012
	'000	'000
Weighted average number of shares	585,622	585,622

(b) Earnings per share computation

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to equity holder of the Company by the weighted average number of ordinary shares for basic and diluted earnings per share computation. These profit and share data are presented in the table in Note 34 (a) above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

35. Related party transactions

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

	The Group	
	2013 \$'000	2012 \$'000
Holding company:		
Amounts received/receivable		
- facility and property management fee	3,440	4,323
Amounts paid/payable		
- operating lease	1,358	1,099
- car park licence fee	113	762
- purchase of development properties	172,789	88,329
- miscellaneous expenses	926	1
Associated and joint venture companies:		
Amounts received/receivable		
- corporate secretarial and service fee	244	367
- financial and accounting fee	72	102
- property related services and management fee	27,976	26,966
- fund management and trustee fees	87,489	75,918
- interest income	145	592
- car park licence fee	2,663	48
Sale of subsidiary companies	86,632	-
Sale of investment properties	126,000	183,000
Purchase of subsidiary company	-	168,994
Purchase of investment properties	56,112	-
Amounts paid/payable		
- operating lease	923	686
- car park licence fee and others	888	3,199
Key management personnel compensation:		
- salaries and other short term benefits	12,074	10,811
- post-employment benefits - contribution to CPF	249	214
	12,323	11,025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards and interest rate swaps to hedge financial risk exposures.

Risk management is carried out in accordance with established policies and guidelines approved by the Board of Directors. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management objectives and policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

Financial risk management is carried out by the Group and country finance teams in accordance with policies approved by the Board. The Group and country finance teams identify, evaluate, and hedge financial risks in close co-operation with the Group's operating units. Guidelines for authority levels and exposure limits are in place to prevent unauthorised transactions. The Board is also regularly updated on the Group's financial investments and hedging activities.

The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

(a) Market risk

(i) Currency risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

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

	SGD \$'000	USD \$'000	RMB \$'000	INR \$'000	KRW \$'000	AUD \$'000	Others \$'000	Total \$'000
The Group								
2013								
Financial Assets								
Cash and bank balances	601,138	30,853	88,325	16,182	52,410	771	9,469	799,148
Trade and other receivables	175,426	54	9,087	21,859	1,853	353	2,832	211,464
Interest rate swaps	385	-	-	-	-	-	-	385
Deposits	1,534	34	335	9,142	719	-	132	11,896
	778,483	30,941	97,747	47,183	54,982	1,124	12,433	1,022,893
Financial Liabilities								
Trade and other payables – current								
Less: Deferred income included in trade and other payables	(144,023)	(143)	(43,152)	(11,285)	(30,761)	(465)	(851)	(230,680)
Borrowings	(819,008)	(9,385)	(125,947)	(26,702)	(69,499)	-	-	(1,050,541)
Interest rate swaps	(6,805)	-	-	-	-	-	-	(6,805)
Other financial liabilities	(14,986)	(295)	(11,470)	-	(155,052)	-	(8)	(181,811)
	(984,822)	(9,823)	(180,569)	(37,987)	(255,312)	(465)	(859)	(1,469,837)
Net financial (liabilities)/ assets	(206,339)	21,118	(82,822)	9,196	(200,330)	659	11,574	(446,944)
Less:								
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	217,009	(801)	93,066	(883)	214,064	2,865	(11,321)	513,999
Cross currency forward contracts	-	(20)	-	-	72	-	-	52
	10,670	20,297	10,244	8,313	13,806	3,524	253	67,107

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD \$'000	USD \$'000	RMB \$'000	INR \$'000	KRW \$'000	AUD \$'000	Others \$'000	Total \$'000
The Group								
2012								
Financial Assets								
Cash and bank balances	495,896	33,816	66,968	33,619	31,138	729	2,652	664,818
Trade and other receivables	111,177	1,255	5,226	22,407	9,286	4,973	8,010	162,334
Derivative financial instruments	242	-	-	-	-	-	-	242
Deposits	1,259	43	285	821	616	-	172	3,196
	<u>608,574</u>	<u>35,114</u>	<u>72,479</u>	<u>56,847</u>	<u>41,040</u>	<u>5,702</u>	<u>10,834</u>	<u>830,590</u>
Financial Liabilities								
Trade and other payables – current								
Less: Deferred income included in trade and other payables	(88,187)	(368)	(25,395)	(12,028)	(22,560)	-	(1,146)	(149,684)
Borrowings	(770,109)	(28,092)	(99,480)	(30,869)	(20,384)	-	-	(948,934)
Interest rate swaps	(2,705)	-	-	-	-	-	-	(2,705)
Other financial liabilities	(12,278)	(223)	(11,284)	-	(160,350)	-	(28)	(184,163)
	<u>(873,279)</u>	<u>(28,683)</u>	<u>(136,159)</u>	<u>(42,897)</u>	<u>(203,294)</u>	<u>-</u>	<u>(1,174)</u>	<u>(1,285,486)</u>
Net financial (liabilities)/ assets	(264,705)	6,431	(63,680)	13,950	(162,254)	5,702	9,660	(454,896)
Less:								
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	295,462	(1,265)	60,488	(14,157)	170,312	(5,702)	(8,533)	496,605
	<u>30,757</u>	<u>5,166</u>	<u>(3,192)</u>	<u>(207)</u>	<u>8,058</u>	<u>-</u>	<u>1,127</u>	<u>41,709</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(a) *Market risk (continued)*

(i) *Currency risk (continued)*

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

Sensitivity analysis for currency risk

If the USD, RMB, INR, KRW and AUD change against the SGD by 1% (2012: 1%), 1% (2012: 4%), 8% (2012: 11%), 0% (2012: 1%) and 2% (2012: 4%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2013		2012	
	Profit After Tax \$'000	Equity \$'000	Profit After Tax \$'000	Equity \$'000
The Group				
USD against SGD				
- strengthened	169	-	43	-
- weakened	(169)	-	(43)	-
RMB against SGD				
- strengthened	85	-	1,129	-
- weakened	(85)	-	(1,129)	-
INR against SGD				
- strengthened	552	-	(19)	-
- weakened	(552)	-	19	-
KRW against SGD				
- strengthened	-	-	67	-
- weakened	-	-	(67)	-
AUD against SGD				
- strengthened	59	-	-	-
- weakened	(59)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Price risk

As at 31 March 2013, the Group no longer holds available-for-sale investments in equity securities listed in stock exchange and is not exposed to commodity price risk.

Sensitivity analysis for price risk

As at 31 March 2012, if prices for the equity securities listed in Hong Kong increase/decrease by 26%, with all other variables including tax rates being held constant, the Group's profit after tax will not be affected and equity will be higher/lower by approximately \$9,505,000.

(iii) Interest rate risk

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

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

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

Sensitivity analysis for interest rate risk

The Group's interest-bearing financial assets at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, MYR, KRW, and RMB (2012: SGD, RMB and KRW). If interest rates increase/decrease by 100 (2012: 125) basis points, with all other variables, including foreign currency exchange rates, being held constant, the Group's profit after tax will be higher/lower by approximately \$2,055,000 (2012: \$3,006,000) as a result of higher/lower interest income from these interest-bearing financial assets.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, USD, RMB and INR (2012: SGD, USD, RMB and INR). If interest rates increase/decrease by 100 (2012: 125) basis points, with all other variables, including foreign currency exchange rates, being held constant, the Group's profit after tax will be lower/higher by approximately \$2,640,000 (2012: \$3,670,000) as a result of higher/lower interest expense on these borrowings. If interest rates increase by 125 (2012: 125) basis points or decrease by 20 (2012: 35) basis points, with all other variables, including foreign currency exchange rates, being held constant, other comprehensive income would have been higher by \$29,690,000 (2012: \$18,322,000) or lower by \$4,750,000 (2012: \$5,130,000) respectively, mainly as a result of higher/lower fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other receivables, the Group deals only with high credit quality counterparties. Generally, advance deposits of at least 3 months rental (or equivalent amount in bankers' guarantee) are obtained for all tenancies. Cash and bank deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are entered into only with counterparties that are of acceptable credit quality.

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

	The Company	
	2013	2012
	\$'000	\$'000
Corporate guarantees provided to banks on loans to subsidiaries and a joint venture company	-	3,247

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

	The Group		The Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Singapore	164,325	100,048	1,044,012	642,692
India	29,444	31,203	14	6
The Philippines	2,416	7,700	646	616
People's Republic of China	9,511	7,750	354,846	329,654
Others	5,768	15,633	5,249	4,415
	211,464	162,334	1,404,767	977,383

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(b) *Credit risk (continued)*

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

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

	The Group			
	2013		2012	
	Gross \$'000	Allowance for Impairment \$'000	Gross \$'000	Allowance for Impairment \$'000
Past due 0 to 90 days	6,668	163	3,437	-
Past due 91 to 180 days	533	438	206	10
Past due 181 to 360 days	180	175	51	-
Past due over 360 days	15	6	119	-
	7,396	782	3,813	10

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

	Note	The Group	
		2013 \$'000	2012 \$'000
Trade receivables (current)			
Beginning of financial year		10	108
Allowance made/ (written back) – net	7	773	(57)
Allowance utilised		-	(43)
Currency translation differences		(1)	2
End of financial year		782	10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

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

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

	Note	The Group	
		2013 \$'000	2012 \$'000
Trade receivables – associated companies (current)			
Beginning of financial year		1,974	1,617
Allowance (written back)/ made - net	5	(67)	374
Currency translation differences		(1)	(17)
End of financial year		1,906	1,974

	Note	The Group	
		2013 \$'000	2012 \$'000
Other receivables (current and non-current)			
Beginning of financial year		5,791	4,157
Allowance (written back)/ made for non-related parties	5	(3,083)	1,625
Allowance made for investee companies	7	-	9
Allowance utilised		(49)	-
Release upon disposal of associated company		(794)	-
Currency translation differences		93	-
End of financial year		1,958	5,791

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(c) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash, internally generated cashflows and the availability of funding resources through adequate committed credit facilities. The Group also maintains a mix of short-term money market borrowings as well as the ability to tap the capital market through the MTN programme to fund working capital requirements and capital expenditure/ investments. The Group assessed concentration risk with respect to debt refinancing and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000	Total \$'000
The Group				
2013				
Trade and other payables (less deferred income)	(230,680)	-	-	(230,680)
Borrowings	(58,171)	(720,140)	(355,451)	(1,133,762)
Other financial liabilities	(8,736)	(185,900)	(5,989)	(200,625)
	(297,587)	(906,040)	(361,440)	(1,565,067)
2012				
Trade and other payables (less deferred income)	(149,684)	-	-	(149,684)
Borrowings	(279,811)	(509,379)	(232,601)	(1,021,791)
Other financial liabilities	(13,028)	(194,860)	(3,823)	(211,711)
	(442,523)	(704,239)	(236,424)	(1,383,186)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000	Total \$'000
The Company				
2013				
Trade and other payables	(657,494)	-	-	(657,494)
Borrowings	(5,021)	(262,646)	(114,773)	(382,440)
	(662,515)	(262,646)	(114,773)	(1,039,934)
2012				
Trade and other payables	(867,065)	-	-	(867,065)
Borrowings	(3,815)	(161,659)	(100,762)	(266,236)
	(870,880)	(161,659)	(100,762)	(1,133,301)

The table below analyses the maturity profile of the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000	Total \$'000
The Group				
2013				
Net-settled interest rate swaps – cash flow hedges	166	(6,167)	(366)	(6,367)
2012				
Net-settled interest rate swaps – cash flow hedges	(361)	(1,638)	(505)	(2,504)
The Company				
2013				
Net-settled interest rate swaps – cash flow hedges	-	(863)	(214)	(1,077)
2012				
Net-settled interest rate swaps – cash flow hedges	-	(1,151)	146	(1,005)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment to the shareholder, return capital to the shareholder, issue new shares or capital securities, obtain new borrowings or sell assets to reduce borrowings.

The Group monitors capital based on the debt equity ratio, which is calculated as total external borrowings divided by total equity. The Group's policy is to keep debt equity ratio to less than two-thirds of total equity.

	The Group		The Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Total borrowings including loans from minority shareholders	1,189,741	1,087,396	361,776	248,570
Total equity	2,439,661	1,984,640	1,305,757	857,609
Debt equity ratio	48.8%	54.8%	27.7%	29.0%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2013 and 2012.

(e) Fair value measurements

The Group classifies its fair value measurement of assets and liabilities using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 2013 and 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(e) Fair value measurements (continued)

The following table presents the assets and liabilities measured at fair value at 31 March 2013.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group				
Assets				
Available-for-sale financial assets				
- equity securities	-	-	5,622	5,622
Liabilities				
Derivatives used for hedging	-	(6,368)	-	(6,368)
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Company				
Liabilities				
Derivatives used for hedging	-	(1,077)	-	(1,077)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows and these investments are included in Level 2. Where a valuation technique for these instruments is based on unobservable inputs, such instruments are included in Level 3.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

36. Financial risk management objectives and policies (continued)

(e) Fair value measurements (continued)

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

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

	The Group	
	2013	2012
	\$'000	\$'000
Carrying value		
Financial assets:		
Available-for-sale financial assets - equity securities	19,446	22,387

Investment in equity instruments are carried at cost

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

37. Commitments

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

	The Group	
	2013	2012
	\$'000	\$'000
<i>Development and capital expenditure:</i>		
Amounts approved and contracted for	440,293	467,258
Amounts approved but not contracted for	203,315	230,769
	643,608	698,027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

37. Commitments (continued)

	The Group	
	2013	2012
	\$'000	\$'000
<i>Commitments in respect of investments are as follows:</i>		
- property trust funds	45,000	139,478
- subsidiary companies	242,710	5,158
- associated companies	9,724	11,747
- joint venture companies	84,110	104,500
- investees companies	-	20,000
	381,544	280,883

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

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

	The Group	
	2013	2012
	\$'000	\$'000
Lease payments due:		
- not later than one year	4,408	3,251
- later than one year and not later than five years	13,282	11,057
- later than five years	85,394	76,368
	103,084	90,676

Included in the above lease payments of the Group is an amount of \$92,030,000 (2012: \$90,054,000) payable to the holding entity.

In addition, there is one 30+23 year term and two 30-year term operating leases on leasehold land, which expires in December 2061, October 2030 and January 2041 respectively. The lease rental is subject to yearly revision.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

37. Commitments (continued)

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

	The Group	
	2013	2012
	\$'000	\$'000
Lease receivables:		
- not later than one year	123,245	110,861
- later than one year and not later than five years	169,673	187,140
- later than five years	55,794	57,847
	348,712	355,848

38. Operating segments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

38. Operating segments (continued)

For year ended 31 March 2013

	Singapore	China	India	Korea	SEA	Others*	Operation related to disposal group classified as held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	China	\$'000
Group								
Revenue and expenses								
External revenue	175,826	60,610	31,372	44,831	4,889	4,543	2,599	324,670
EBIT	277,216	26,689	17,441	39,586	4,790	10,767	11,225	387,714
Net finance (costs)/income	(13,816)	(3,445)	1,555	(11,174)	71	98	-	(26,711)
Profit/(loss) before tax	263,400	23,244	18,996	28,412	4,861	10,865	11,225	361,003
Income tax expense	(20,267)	27,398	(1,879)	(3,561)	(458)	(4,992)	-	(3,759)
Profit/(loss) after tax	243,133	50,642	17,117	24,851	4,403	5,873	11,225	357,244
Other information								
Depreciation and amortisation	25,578	18,167	1,917	4,329	237	23	-	50,251
Interest income	1,992	2,840	1,223	1,029	89	100	-	7,273
Capital expenditure**	373,913	75,862	18,546	65,845	1,956	200,828	-	736,950

* Includes Australia and Japan

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

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For the financial year ended 31 March 2013

38. Operating segments (continued)

For year ended 31 March 2012

	Singapore	China	India	Korea	SEA	Operation related to disposal group classified as held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	China	\$'000
Group							
Revenue and expenses							
External revenue	206,263	47,488	37,239	34,550	4,231	3,005	332,776
EBIT	256,395	38,930	11,996	6,963	440	1,047	315,771
Net finance (costs)/income	(15,390)	(3,061)	1,828	(8,789)	(322)	(929)	(26,663)
Profit/(loss) before tax	241,005	35,869	13,824	(1,826)	118	118	289,108
Income tax expense	(20,044)	(2,309)	(6,364)	(1,039)	(250)	-	(30,006)
Profit/(loss) after tax	220,961	33,560	7,460	(2,865)	(132)	118	259,102
Other information							
Depreciation and amortisation	25,988	10,778	1,985	4,198	315	873	44,137
Interest income	1,192	1,360	2,507	1,708	352	27	7,146
Capital expenditure*	295,911	257,405	19,564	79,406	562	170	653,018

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

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For the financial year ended 31 March 2013

38. Operating segments (continued)

As at 31 March 2013

	Singapore \$'000	China \$'000	India \$'000	Korea \$'000	SEA \$'000	Others* \$'000	Operation related to disposal group classified as held for sale China \$'000	Total \$'000
Group								
Assets and liabilities								
Investment properties	1,068,957	451,629	48,653	373,159	-	-	-	1,942,398
Investments in associated and joint venture companies	532,595	90,625	160,767	81,024	59,659	186,507	-	1,111,177
Other segment assets	960,282	166,908	57,731	52,764	16,851	7,913	-	1,262,449
Reportable segment assets	2,561,834	709,162	267,151	506,947	76,510	194,420	-	4,316,024
Loans and borrowings	(819,008)	(135,332)	(26,702)	(69,499)	-	-	-	(1,050,541)
Other segment liabilities	(174,506)	(426,367)	(61,281)	(144,217)	(19,451)	-	-	(825,822)
Reportable segment liabilities	(993,514)	(561,699)	(87,983)	(213,716)	(19,451)	-	-	(1,876,363)

* Includes Australia and Japan

As at 31 March 2012

	Singapore \$'000	China \$'000	India \$'000	Korea \$'000	SEA \$'000	China \$'000	Operation related to disposal group classified as held for sale China \$'000	Total \$'000
Group								
Assets and liabilities								
Investment properties	765,095	395,056	39,225	310,940	-	-	-	1,510,316
Investments in associated and joint venture companies	506,984	168,453	174,546	83,583	54,920	-	-	988,486
Other segment assets	803,358	186,112	67,153	38,441	12,299	33,074	-	1,140,437
Reportable segment assets	2,075,437	749,621	280,924	432,964	67,219	33,074	-	3,639,239
Loans and borrowings	(770,109)	(127,572)	(30,869)	(20,384)	-	-	-	(948,934)
Other segment liabilities	(48,925)	(423,413)	(55,808)	(138,530)	(14,492)	(24,497)	-	(705,665)
Reportable segment liabilities	(819,034)	(550,985)	(86,677)	(158,914)	(14,492)	(24,497)	-	(1,654,599)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. Contingencies

Contingent liabilities

In the financial year ended 31 March 2007, a subsidiary company of the Group disposed of its investment in Philippines and agreed to indemnify the buyer against contingent claims, breach of representations and warranties and incremental operational costs up to December 2016, of which the total and cumulative liability shall not exceed the sum of \$3 million. Its liability to indemnify the buyer against contingent claims and breach of representations and warranties has lapsed with effect from 29 December 2009 and 29 December 2011 respectively.

On 5 December 2008, a fire broke out at West Icheon Logistic Center ("WILC"), one of 2 buildings held by associate, Ascendas Korea Industrial Fund ("AKIF"). Consequent to the incident, Ascendas Korea Inc ("AKI") and property manager of AKIF) and AKIF have received a total of 34 civil lawsuits with claims totalling \$101.3 million as at the date of this report. AKI and AKIF have prevailed in all the court judgement made. Effectively 4 cases totalling \$10.7 million remain outstanding. Of these cases, 1 case of \$8.8million is being heard in the Supreme Court, 2 cases of \$0.6 million are being heard in the High Court and the remaining case in the Trial Court.

On 15 February 2013, the Trial Court made its decision for 3 cases. Unlike all previous court decisions, Kookmin Bank (trustee for AKIF) was ruled liable for the fire and was ordered to make a liability payment of \$42 million (KRW37 billion). AKI and SHBNP (fund manager for AKIF) were discharged. Kookmin Bank has since appealed to the High Court and the liability payment was postponed until the decision of the High Court. AKIF may be subjected to a subrogate lawsuit filed by Kookmin Bank in the event they lose their appeal.

Under its Global Liability Insurance policy, the Group is insured against its legal liability to pay compensation to third party in respect of personal injury and/or property damage for up to \$25 million. No provision has been recognised as management is of the view that the claims are without merit. AKIF, AKI and its employee have not been prosecuted for any part in the cause of the fire, except for a small fine levied on AKI and one employee on the charge of violation of the Building Act, for which trial have been claimed. The Group does not have obligations to contribute additional capital into AKI and AKIF and the losses from the claims will be limited by the Group's existing investments in AKI and AKIF of \$20.4 million of which \$15 million had not been provided for as at 31 March 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

39. Contingencies (continued)

Contingent assets

As at 31 March 2013, AKIF has a net asset value of S\$0.75 million which includes \$36 million of insurance pay-out from the insurer of the damaged building. In view of the pending civil suits disclosed above, the Group did not recognise its share of AKIF's net assets of S\$0.22 million on grounds of prudence.

40. Events occurring after the reporting period

A-HTrust's proposed acquisition of Park Hotel Clarke Quay in Singapore

On 5 April 2013, the managers of A-HTrust signed a conditional sale and purchase agreement with Parksing Property Pte Ltd to acquire Park Hotel Clarke Quay for S\$300 million. The price is 2.6% lower than Colliers' independent property valuation. The hotel will be leased back to Park Hotel Group (master lessee) for 10 years, with option to extend for another 5 years. Rental income will comprise a fixed rent component of S\$11.5 million for first 12 months subject to 3% escalation per annum and variable rent portion tied to the hotel's performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

41. Subsidiary companies

The following are the Company's subsidiary companies:

Direct subsidiary companies	Principal activities	Country of incorporation/ place of business	Percentage of equity held by the Company		Cost of investment	
			2013 %	2012 %	2013 \$'000	2012 \$'000
Ascendas Investment Pte Ltd*	Investment holding	Singapore	100	100	337,809	337,809
Ascendas Land International Pte Ltd*	Investment holding	Singapore	100	100	205,458	205,458
Ascendas Land (Singapore) Pte Ltd*	Property owners, and the planning, developing, marketing and management of industrial parks, science parks, business parks and related facilities and investment holding	Singapore	100	100	258,553	258,553
					801,820	801,820

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas Investment Pte Ltd				
Ascendas Holdings (Manila) Pte Ltd*	Investment holding	Singapore/ Philippines	63.75	63.75
Ascendas Utilities Pte Ltd*	Investment holding	Singapore	100	100
Ascendas Funds Management (S) Limited*	Property fund management	Singapore	100	100
Ascendas Property Fund Trustee Pte Ltd*	Trustee for property trust and property fund management	Singapore	100	100
Ascendas Services (Shanghai) Co., Ltd**	Provision of e-infrastructure services	People's Republic of China	100	100
Ascendas China Fund Management Pte. Ltd.*	Property fund management	Singapore	100	100
Ascendas China Commercial Fund Management Pte. Ltd.*	Property fund management	Singapore	100	100
Ascendas Asia Fund Management Pte. Ltd.*	Property fund management	Singapore	100	100
Ascendas India Development Fund Management Pte. Ltd.*	Trustee for property trust and property fund management	Singapore	100	100
AIDT2 Trustee Pte. Ltd.*	Trustee for property trust	Singapore	100	100
AIDT2 Fund Management Pte. Ltd.*	Property fund management	Singapore	100	100
Ascendas Japan Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Asset Management Co., Ltd**	Property fund management	South Korea	100	100
Ascendas Hospitality Fund Management Pte Ltd*	Property fund management	Singapore	100	100
Ascendas Hospitality Trust Management Pte Ltd*	Trustee for property trust	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas Investment Pte Ltd (continued)				
Ascendas China Commercial Fund Management Limited**	Property fund management	Hong Kong	100	100
Ascendas Hospitality Australia Fund Management Pty Ltd**	Property fund management	Australia	100	100
Subsidiary companies of Ascendas Land International Pte Ltd				
Ascendas (China) Pte Ltd*	Investment holding	Singapore/ People's Republic of China	100	100
Ascendas (Philippines) Corporation**	Construction and project management	Philippines	100	100
Ascendas (India) Private Limited**	Construction of infrastructure facilities, commercial and residential complexes and townships	India	100	100
Crystal Clear Limited+	Investment holding	Cayman Islands	100	100
Riverbook Group Limited+	Investment holding	British Virgin Islands	100	100
Ascendas (Korea) Pte. Ltd.*	Investment holding	Singapore	100	100
a-kof2 ***	Private trust investing in real estate in South Korea	South Korea	57	57
Ascendas (Malaysia) Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas IT SEZ (Chennai) Private Limited (formerly known as Ascendas Mahindra IT Park Private Limited)**	Development, owning and management of information technology parks	India	100	100
Ascendas China Trustee Pte. Ltd.*	Trustee for property trust	Singapore	100	100

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas Land International Pte Ltd (continued)				
Ascendas China Commercial Trustee Pte. Ltd.*	Trustee for property trust	Singapore	100	100
Ascendas S.E. Asia Business Space Fund Trustee Pte. Ltd.*	Trustee for property trust	Singapore	100	100
Ascendas (ACIBPF) Holdings Pte. Ltd.*	Investment holding	Singapore	66.74	66.74
Ascendas (ACCF) Holdings Pte. Ltd.*	Investment holding	Singapore	71.88	71.88
Ascendas India Development VII Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Hospitality Trustee Pte Ltd*	Trustee for property trust	Singapore	100	100
Ascendas India Joint Investments Co. Pte Ltd*	Investment holding	Singapore	100	100
Ascendas Hospitality Holdings Pte Ltd*	Investment holding	Singapore	-	100
Ascendas Hospitality Australia Investment Fund 1 [®]	Investment holding	Australia	-	80
Ascendas Hospitality Australia Investment Fund 2 [®]	Investment holding	Australia	-	80
Ascendas Land (Malaysia) Pte Ltd^	Investment holding	Singapore	100	-
Ascendas Korea Office Private Real Estate Industrial Trust 2 ^{^***}	Private trust investing in real estate in South Korea	South Korea	65.71	-
Ascendas Land Indonesia Pte Ltd^	Investment holding	Singapore	100	-

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas Land (Singapore) Pte Ltd				
Ascendas (Kaki Bukit) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Ascendas (Tuas) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Ascendas Services Pte Ltd*	Marketing and management of industrial parks and related facilities	Singapore	100	100
Ascendas (Ubi) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Ascendas Development Pte Ltd*	Investment holding	Singapore	100	100
Ascendas (KB View) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Ascendas (Admiralty) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Arcasia Properties, Inc+	Property leasing	United States of America	100	100
iAxil Pte Ltd*	Incubation management and business advisory services	Singapore	100	100
Tuas View Development Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	65
Singapore Science Park Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas Land (Singapore) Pte Ltd (continued)				
Ascendas Media Hub Pte Ltd*	Investment holding	Singapore	100	100
Ascendas Venture Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	100	100
Teletech Park Pte Ltd*	Property investment and development	Singapore	100	100
Ascendas Fusion 5 Holding Pte Ltd^*	Investment holding	Singapore	100	-
Subsidiary company of Ascendas Fusion 5 Holding Pte Ltd				
Ascendas Fusion 5 Pte Ltd^*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	75	-
Subsidiary company of Ascendas Japan Pte Ltd				
Ascendas Japan Inc ⁺	Property fund management	Japan	100	100
Subsidiary companies of Ascendas (China) Pte Ltd				
Ascendas (Shanghai) Co., Ltd**	Provision of project consultancy, project management and other related services	People's Republic of China	100	100
Beijing Ascendas-BETIDC Development Co., Ltd**	Building, managing, leasing and selling built-to-suit facilities	People's Republic of China	99.8	99.8
Ascendas Services (Suzhou) Co., Ltd**	Provision of project consultancy, project management and other related services	People's Republic of China	100	100
Xi'an Ascendas-Science Technology Investment Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	80	80
Ascendas Development (Tianjin) Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	100	100
Ascendas Nanjing Jiangning Investment Holding Pte Ltd*	Investment holding	Singapore	100	100

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary companies of Ascendas (China) Pte Ltd (continued)				
Ascendas Development (Wujiang) Co., Ltd**	Real estate development; project management and consultancy; sales, lease and management of the properties it developed and provision of related services	People's Republic of China	100	100
Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park II Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park III Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park V Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park VI Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Singapore-Hangzhou Science & Technology Park VII Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Suzhou Science & Technology Park Pte Ltd*	Investment holding	Singapore	100	100
Ascendas GKC Investment Pte Ltd*	Investment holding	Singapore	100	100
Ascendas Investment (Dalian) Pte Ltd*	Investment holding	Singapore	100	100
Singapore Suzhou Industrial Holdings Pte Ltd*	Investment holding	Singapore	100	100

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary company of Singapore Suzhou Industrial Holdings Pte Ltd				
Ascendas-Xinsu Development (Suzhou) Co., Ltd**	Develop and build industrial properties, provide management services, sales and lease and management of properties and provide related services	People's Republic of China	100	100
Subsidiary company of Crystal Clear Limited				
Krefelt Investments Pte Ltd*	Investment holding	Singapore	100	100
Subsidiary companies of Ascendas (Korea) Pte Ltd				
Ascendas Korea Inc.**	Management consulting, real estate leasing, purchasing and selling of real estate and other related services	South Korea	100	100
Ascendas (Mauritius) Limited+	Investment holding	Mauritius	100	100
Subsidiary company of Ascendas (Mauritius) Limited				
Ascendas (Malta) Limited+	Investment holding	Malta	100	100
Subsidiary company of Ascendas Nanjing Jiangning Investment Holding Pte Ltd				
Ascendas Development (Nanjing) Co., Ltd®	Real estate development; project management and consultancy; sales, lease and management of the properties it developed and provision of related services	People's Republic of China	-	100
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park I Pte Ltd				
Ascendas Hangzhou Science & Technology Co., Ltd**	Software technology R&D, business process outsourcing and leasing of buildings and equipment	People's Republic of China	80	80

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41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park II Pte Ltd				
Ascendas Hangzhou Software Technology Co., Ltd**	Manufacturing of software product, sales and provision of related services, development and leasing of properties	People's Republic of China	80	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park III Pte Ltd				
Ascendas Hangzhou Industrial Automatic Co., Ltd**	R&D, design and test of industry automation product and related equipment, development and leasing of properties	People's Republic of China	80	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park IV Pte Ltd				
Ascendas Hangzhou Data Processing Co., Ltd**	Manufacturing of intelligent card and IC card, sales, development and leasing of properties	People's Republic of China	80	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park V Pte Ltd				
Ascendas Hangzhou Multi-Media Technology Co., Ltd**	Development of multimedia software, sales, development and leasing of properties	People's Republic of China	80	80
Subsidiary company of Ascendas Singapore-Hangzhou Science & Technology Park VI Pte Ltd				
Ascendas Hangzhou Computer System Service Co., Ltd**	Manufacturing of computer system product, sales and provision of related services and leasing of properties	People's Republic of China	80	80

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41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary company of Ascendas Suzhou Science & Technology Park Pte Ltd				
Ascendas Science & Technology Park Development (SIP) Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	100	100
Subsidiary company of Ascendas India Development VII Pte Ltd				
Ascendas IT Park (Pune) Private Limited**	Development, owning and management of information technology parks	India	74	74
Subsidiary companies of Ascendas Services Pte Ltd				
Ascendas Services (India) Private Limited**	Marketing and management of industrial parks and related facilities	India	100	100
Ascendas Services Malaysia Pte Ltd*	Investment holding	Singapore	100	100
Ascendas Services Vietnam Pte. Ltd.*	Investment holding	Singapore	100	100
Ascendas Services Philippines Pte. Ltd.*	Investment holding	Singapore	100	100
Subsidiary company of Ascendas Services Malaysia Pte Ltd				
Ascendas Services Malaysia Sdn Bhd**	Marketing and management of commercial, industrial, warehousing properties and related facilities	Malaysia	100	100
Subsidiary company of Ascendas Land (Malaysia) Pte Ltd				
Ascendas Land (Malaysia) Sdn Bhd^	Investment holding	Malaysia	100	–
Subsidiary company of Ascendas Land Indonesia Pte Ltd				
Ascendas Indonesia Investments Pte Ltd^	Investment holding	Singapore	100	–

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary company of Ascendas Services Vietnam Pte Ltd				
Ascendas Services Vietnam Co., Ltd**	Real estate consultancy and management services whether residential, commercial or industrial-related; construction project management and management consultancy services	Vietnam	100	100
Subsidiary company of Ascendas Services Philippines Pte Ltd				
Ascendas Services Philippines Corporation**	Project management of construction, development, renovation and/or maintenance of land or building and to provide services for asset and/or property management of buildings	Philippines	100	100
Subsidiary company of Ascendas Media Hub Pte Ltd				
Ascendas Citramas Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	70	70
Subsidiary companies of Ascendas Hospitality Trust Management Pte Ltd				
Ascendas Ariake Godo Kaisha®	Investment holding	Japan	-	100
Ascendas Hospitality Operations Pty Ltd®	Investment holding	Australia	-	100
Ascendas Hospitality Korea 2 Pte Ltd®	Investment holding	Singapore	-	100
Ascendas Hospitality Australia Investments Pte Ltd®	Investment holding	Singapore	-	100
Ascendas Hospitality Australia Fund®	Investment holding	Australia	-	100
Ascendas Hospitality China Pte Ltd®	Investment holding	Singapore	-	100

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For the financial year ended 31 March 2013

41. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group	
			2013 %	2012 %
Subsidiary company of Ascendas Hospitality Australian Fund				
Ascendas Hospitality Australia Sub Fund 1 [Ⓞ]	Private trust investing in income generating hotel assets in Australia	Australia	-	100
Subsidiary companies of Ascendas Hospitality Trustee Pte Ltd				
Ascendas Hospitality Japan 1 Pte Ltd [Ⓞ]	Investment holding	Singapore	-	100
Ascendas Hospitality Korea 1 Pte Ltd [Ⓞ]	Investment holding	Singapore	-	100
Subsidiary company of Ascendas Hospitality Japan 1 Pte Ltd				
Ascendas Hospitality Japan 2 Pte Ltd [Ⓞ]	Investment holding	Singapore	-	100
Subsidiary companies of Ascendas Hospitality Japan 2 Pte Ltd				
Ascendas Hospitality Japan 3 Pte Ltd [Ⓞ]	Investment holding	Singapore	-	100
Ascendas Hospitality Tokutei Mokuteki Kaisha [Ⓞ]	Investment holding	Japan	-	100
Subsidiary companies of Ascendas (Malaysia) Pte Ltd				
Ascendas Hospitality Holdings Pte Ltd ^{****}	Investment holding	Singapore	100	-
Ascendas Hospitality Korea 1 Pte Ltd ^{****}	Investment holding	Singapore	100	-
Ascendas Hospitality Korea 2 Pte Ltd ^{****}	Investment holding	Singapore	100	-
Galen Pte Ltd ^{****}	Investment holding	Singapore	100	-
Subsidiary company of Ascendas Services (Shanghai) Co., Ltd				
ASFM LLP ^{^^}	Property fund management	People's Republic of China	100	-

* Audited by Ernst & Young LLP, Singapore.

** Audited by member firms of Ernst & Young in the respective countries.

*** Audited by other auditors.

**** Undergoing liquidation during the financial year.

^ The subsidiary was incorporated during the year.

· Not subject to audit by law in the country of incorporation.

Ⓞ Disposed/liquidated/struck off during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

42. Associated and joint venture companies

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group		Cost of investment	
			2013 %	2012 %	2013 \$'000	2012 \$'000
Associated company of Ascendas Investment Pte Ltd						
Karimun Investment Holding Pte Ltd***	Investment holding	Singapore/ Indonesia	-	25	-	2,800
Associated companies of Ascendas Land International Pte Ltd						
Ascendas India Trust and its subsidiaries* **	Public business trust investing in Information Technology Parks and IT related properties through the acquisition, development, re-development, management, maintenance, operating and leasing of such properties in India	Singapore	22.60	26.26	127,102	124,336
a-kof***	Private trust investing in income generating office buildings and office development projects in Seoul and Seoul Metropolitan area	South Korea	30	30	96,639	114,676
a-kif***	Private trust investing in logistics and industrial assets, both income generating and development projects in South Korea	South Korea	30	30	18,852	18,852
Ascendas ASEAN Business Space Fund and its subsidiaries*	Private trust investing in principally real estate or real estate related assets used or to be used or predominantly for business space solutions located in Malaysia, Vietnam and Philippines	Singapore	20.5	20.5	34,955	33,053

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

42. Associated and joint venture companies (continued)

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group		Cost of investment	
			2013 %	2012 %	2013 \$'000	2012 \$'000
Associated companies of Ascendas Land International Pte Ltd (continued)						
Ascendas India Development Trust and its subsidiaries*	Private trust investing in the development of mixed or multi-use projects through the acquisition, development, re-development, sale and leasing of such assets in India	Singapore	26	26	130,000	130,000
Ascendas Hospitality Trust and its subsidiaries** ###	Public hospitality trust investing, directly or indirectly, in a diversified portfolio of income-producing real estate used predominantly for hospitality purposes located across Asia, Australia and New Zealand	Singapore	28.83	-	204,334	-
Associated companies of Ascendas Land (Singapore) Pte Ltd						
Corporation Place Pte Ltd***	Property investment and development	Singapore	25	25	3,000	3,000
Ascendas Real Estate Investment Trust****+	Investment advisor and property fund management	Singapore	16.99	19.36	602,032	593,710
Associated company of Ascendas Holdings (Manila) Pte Ltd						
Carmelray-JTCI Corporation***	Development and management of industrial park in Philippines	Philippines	25.5	25.5	26,332	26,332
Associated company of Ascendas (Philippines) Corporation						
RBF Development Corporation**	Development, operation and management of industrial buildings	Philippines	40	40	2,482	2,344

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

42. Associated and joint venture companies (continued)

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group		Cost of investment	
			2013 %	2012 %	2013 \$'000	2012 \$'000
Associated company of Krefelt Investments Pte Ltd						
Masagana Holdings Corporation**	Investment holding	Philippines	40	40	455	455
Associated company of Ascendas (ACIBPF) Holdings Pte. Ltd.						
Ascendas China Industrial and Business Parks Fund and its subsidiaries*	Private trust investing principally in industrial and business parks properties in the PRC through the acquisition, development, re-development, management maintenance operation, and leasing	Singapore	25.58	25.58	42,859	42,859
Associated company of Ascendas (ACCF) Holdings Pte. Ltd.						
Ascendas China Commercial Fund and its subsidiaries*	Private trust investing in real estate or real estate related assets used or to be used for commercial purposes in the PRC through the acquisition, development, re-development, management maintenance operation, and leasing	Singapore	30.55	30.55	168,206	168,206
					1,457,248	1,260,623

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

42. Associated and joint venture companies (continued)

Joint venture companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group		Cost of investment	
			2013 %	2012 %	2013 \$'000	2012 \$'000
Joint venture company of Ascendas Development Pte. Ltd.						
Ascendas Frasers Pte Ltd*	Property owner and the planning, developing and management of industrial parks, retail and hospitality facilities	Singapore	50	50	16,753	16,331
Joint venture company of Ascendas (China) Pte Ltd						
DLSP Ascendas Co., Ltd**	Development, management, leasing and selling of industrial properties and providing real estate consultancy	People's Republic of China	50	50	40,530	40,530
					57,283	56,861

* Audited by Ernst & Young LLP, Singapore.

** Audited by member firms of Ernst & Young in the respective countries.

*** Audited by other auditors.

* Includes 1.66% held by Ascendas Funds Management (S) Limited (2012: 1.72%).

** Includes 2.52% held by Ascendas Property Fund Trustee Pte Ltd (2012: 2.44%).

*** Includes 0.17% held by Ascendas Hospitality Fund Management Pte Ltd and Ascendas Hospitality Trust Management Pte Ltd (2012: nil)

* Considered to be an associate as in addition to its equity interest in the investee, the Group also exercises significant influence over the financial and operating policy decisions through its subsidiary, Ascendas Fund Management (S) Limited, as the Manager of the investee company.

43. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Ascendas Pte Ltd on 3 June 2013.



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