

EXPECT MORE

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Directors' Report

For The Financial Year Ended 31 March 2011

The directors present their report to the shareholder together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the balance sheet of the Company at 31 March 2011.

Directors

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

Lim Hock San	Manohar Khatani
Chong Siak Ching	Willy Shee
Chee Hong Tat	Tan Gee Paw
Charles C.Y. Chen	Reggie Thein
Lee Eng Beng	

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 object was 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, none of the directors holding office at the end of the financial year had any interest in shares or debentures of the Company or its related corporations.

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 he 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, Jurong Town 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 auditors.

On behalf of the board of Directors

LIM HOCK SAN
Director

CHONG SIAK CHING
Director

2 June 2011

Statement by Directors

For The Financial Year Ended 31 March 2011

In the opinion of the Directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 7 to 95 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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

LIM HOCK SAN

Director

CHONG SIAK CHING

Director

2 June 2011

Independent Auditor's Report

For The Financial Year Ended 31 March 2011

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 7 to 95, which comprise the balance sheets of the Group and the Company as at 31 March 2011, the 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 financial 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 financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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.

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Auditors' 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 judgment, 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 the 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 2011 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Other Matters

The financial statements for the financial year ended 31 March 2010 were audited by another auditor whose report dated 1 June 2010 expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company 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
2 June 2011

Consolidated Statement Of Comprehensive Income

For The Financial Year Ended 31 March 2011

	Note	The Group	
		2011 \$'000	2010 \$'000
Revenue	4	318,591	293,517
Other gains/(losses) – net	5	114,255	60,061
Expenses			
Cost of development properties sold		(15,934)	(19,085)
Depreciation of investment properties	11	(36,170)	(36,257)
Depreciation of property, plant and equipment	13	(4,868)	(4,447)
Maintenance and conservancy expenses		(23,798)	(22,981)
Project consultancy, property and lease management expenses		(780)	(1,414)
Renovation services expenses		(2,154)	(3,671)
Employee compensation	6	(71,991)	(60,790)
Property taxes		(7,592)	(8,630)
Other operating expenses	7	(52,578)	(49,151)
Finance expense	8	(31,776)	(36,236)
Total expenses		(247,641)	(242,662)
Share of profit of associated companies		39,991	21,889
Profit before income tax		225,196	132,805
Income taxes	9(a)	(34,702)	(35,722)
Net profit		190,494	97,083
Available-for-sale financial assets – fair value (losses)/gains	29(b)	(11,385)	44,059
Available-for-sale financial assets – reclassification to profit or loss following disposal	29(b)	(14,112)	-
Cash flow hedges – fair value losses	29(c)	(3,877)	(2,357)
Cash flow hedges – reclassification to profit or loss upon settlement	29(c)	2,835	972
Currency translation differences arising from consolidation		(31,460)	6,217
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) – net	29(a)	(712)	2,276
Currency translation reserve on transfer of an investment in an associated company to assets held for sale charged to other gains/(losses) – net	29(a)	-	(1,564)
Share of other comprehensive (loss)/income of associated companies		(32,586)	4,052
Other comprehensive income, net of tax		(91,297)	53,655
Total comprehensive income for the year		99,197	150,738
Profit attributable to:			
Equity holder of the Company		191,033	95,049
Non-controlling interests		(539)	2,034
		190,494	97,083
Total comprehensive income attributable to:			
Equity holder of the Company		109,745	143,952
Non-controlling interests		(10,548)	6,786
		99,197	150,738

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

Balance Sheets

As At 31 March 2011

	Note	The Group		The Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
ASSETS					
Non-current assets					
Deferred income tax assets	9(c)	1,165	31,625	-	-
Goodwill	10	111,781	111,781	-	-
Investment properties	11	1,081,993	1,287,489	-	-
Investment properties under development	12	66,486	21,143	-	-
Property, plant and equipment	13	19,277	21,678	-	-
Investments in subsidiary companies	14	-	-	801,398	797,784
Investments in associated and joint venture companies	15	971,765	963,626	-	-
Other non-current assets		191	237	-	-
Trade and other receivables	16	68,075	42,008	-	-
Deposits		31	-	-	-
Cash and bank balances	18	4,711	4,396	-	-
Available-for-sale financial assets	19	23,486	23,577	-	-
		2,348,961	2,507,560	801,398	797,784
Current assets					
Properties under development	21	-	-	-	-
Properties held for sale		9,660	29,712	-	-
Available-for-sale financial assets	19	36,777	69,680	-	-
Consumables		51	37	-	-
Prepayments		6,671	11,056	1	5
Trade and other receivables	16	209,598	179,620	546,785	464,657
Deposits		2,274	2,331	1	5
Cash and bank balances	18	430,900	315,890	47,993	80,229
		695,931	608,326	594,780	544,896
Assets classified as held for sale	20	-	2,794	-	-
		695,931	611,120	594,780	544,896
Total assets		3,044,892	3,118,680	1,396,178	1,342,680
LIABILITIES					
Current liabilities					
Trade and other payables	23	137,602	152,322	591,772	509,243
Current income tax liabilities	9(b)	95,946	116,499	135	146
Borrowings	26	147,394	172,457	-	80,000
Derivative financial instruments	22	1,242	-	-	-
		382,184	441,278	591,907	589,389

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

Balance Sheets

As At 31 March 2011

	Note	The Group		The Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Non-current liabilities					
Other payables	24	37,258	43,758	-	-
Loans from minority shareholders	25	139,662	151,662	-	-
Borrowings	26	428,340	490,632	149,206	49,782
Deferred income on long term leases	27	173,190	177,245	-	-
Derivative financial instruments	22	1,397	1,669	370	-
Deferred income tax liabilities	9(c)	11,094	12,107	-	-
		790,941	877,073	149,576	49,782
Total liabilities		1,173,125	1,318,351	741,483	639,171
NET ASSETS		1,871,767	1,800,329	654,695	703,509
EQUITY					
Capital and reserves attributable to the Company's equity holder					
Share capital	28	585,622	585,622	585,622	585,622
Fair value and other reserves	29	(96,039)	(15,463)	(370)	-
Revenue reserve	30	1,240,722	1,097,261	69,443	117,887
		1,730,305	1,667,420	654,695	703,509
Non-controlling interests		141,462	132,909	-	-
TOTAL EQUITY		1,871,767	1,800,329	654,695	703,509

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 March 2011

	Attributable to equity holder of the Company				
	←-----→			Non- controlling interests	Total equity
	Share capital	Fair value and other reserves	Revenue reserve		
Note	\$'000	\$'000	\$'000	\$'000	\$'000
2011					
Beginning of financial year	585,622	(15,463)	1,097,261	132,909	1,800,329
Net profit	-	-	191,033	(539)	190,494
Other comprehensive income:					
Available-for-sale financial assets – fair value losses	-	(11,385)	-	-	(11,385)
– reclassification to profit or loss following disposal	-	(14,112)	-	-	(14,112)
Cash flow hedges					
– fair value losses	-	(3,877)	-	-	(3,877)
– reclassification to profit or loss upon settlement	-	2,835	-	-	2,835
Currency translation differences arising					
from consolidation	-	(21,720)	-	(9,740)	(31,460)
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) – net	-	(712)	-	-	(712)
Share of other comprehensive loss of associated companies	-	(32,317)	-	(269)	(32,586)
Other comprehensive income for the year, net of tax	-	(81,288)	-	(10,009)	(91,297)
Total comprehensive income for the year	-	(81,288)	191,033	(10,548)	99,197
Contributions by and distributions to owners:					
Capital contribution by non-controlling interests	-	665	-	23,893	24,558
Capital return to non-controlling interests	-	-	-	(2,518)	(2,518)
Acquisition of additional interest in a subsidiary company	-	-	-	(141)	(141)
Dividends	31	-	(47,525)	-	(47,525)
Dividends paid to non-controlling interests	-	-	-	(2,133)	(2,133)
Transfer between reserves	-	47	(47)	-	-
End of financial year	585,622	(96,039)	1,240,722	141,462	1,871,767

An analysis of the movements in each category within "Fair value and other reserves" is presented in Note 29.

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 March 2011

	Note	Attributable to equity holder of the Company			Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Fair value and other reserves \$'000	Revenue reserve \$'000		
2010						
Beginning of financial year		585,622	(64,050)	1,021,273	113,844	1,656,689
Net profit		-	-	95,049	2,034	97,083
Other comprehensive income:						
Available-for-sale financial assets – fair value gains		-	44,059	-	-	44,059
Cash flow hedges						
– fair value losses		-	(2,357)	-	-	(2,357)
– reclassification to profit or loss upon settlement		-	972	-	-	972
Currency translation differences arising from consolidation		-	1,465	-	4,752	6,217
Currency translation reserve on disposal of a subsidiary charged to other gains/(losses) – net		-	2,276	-	-	2,276
Currency translation reserve on transfer of an investment in an associated company to assets held for sale charged to other gains/(losses) – net		-	(1,564)	-	-	(1,564)
Share of other comprehensive income of associated companies		-	4,052	-	-	4,052
Other comprehensive income for the year, net of tax		-	48,903	-	4,752	53,655
Total comprehensive income for the year		-	48,903	95,049	6,786	150,738
Contributions by and distributions to owners:						
Capital contribution by non- controlling interests		-	-	-	17,283	17,283
Capital return to non-controlling interests		-	-	-	(3,059)	(3,059)
Disposal of interest in a subsidiary company	33	-	(1,188)	-	-	(1,188)
Reversal of capital reserves on write-down of investment in an associated company	29(d)	-	(189)	-	-	(189)
Dividends	31	-	-	(18,000)	-	(18,000)
Dividends paid to non-controlling interests		-	-	-	(1,945)	(1,945)
Transfer between reserves		-	1,061	(1,061)	-	-
End of financial year		585,622	(15,463)	1,097,261	132,909	1,800,329

An analysis of the movements in each category within "Fair value and other reserves" is presented in Note 29.

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2011

	Note	The Group	
		2011 \$'000	2010 \$'000
Cash flows from operating activities			
Profit before tax		225,196	132,805
Adjustments for:			
Amortisation of long term lease premium		(4,055)	(4,055)
Depreciation		41,038	40,704
Dividend income		(82)	(642)
Interest income		(6,554)	(5,838)
Interest expense		31,776	36,236
Gain on disposal of:			
- investment properties		(65,698)	(31,576)
- property, plant and equipment		(6)	(5)
- subsidiary companies		(5,942)	(39,607)
- available-for-sale financial assets		(19,494)	-
Gain on dilution of interest in associated companies		(5,502)	(13,627)
Impairment losses (written back)/made on:			
- investment properties		(10,145)	31,177
- investment in associated companies		(57)	4,278
Allowance for impairment of receivables made/(written back):			
- trade receivables from non-related parties		49	(129)
- other receivables from non-related parties		231	(55)
- amounts owing by associated companies		602	1,040
Unrealised translation differences		5,502	(676)
Share of profit of associated companies		(39,991)	(21,889)
Property, plant and equipment written off		102	352
Investment properties written off		-	602
Fair value loss on derivative financial instruments		-	1,465
Negative goodwill arising from acquisition of additional interests in associated companies		-	(1,438)
Gain on capital contribution by a minority shareholder of a subsidiary company		-	(705)
Gain on return of capital to a minority shareholder of a subsidiary company		-	(2,032)
Operating cash flow before working capital changes		146,970	126,385
Changes in operating assets and liabilities, net of effects from acquisitions and disposals of subsidiary companies			
Consumables		(14)	(19)
Properties under development		19,096	(38,468)
Trade and other receivables		(32,148)	110,990
Prepayments		4,385	(3,570)
Deposits		57	54,249
Trade and other payables		(10,008)	(63,653)
Cash generated from operations		128,338	185,914

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

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 March 2011

	Note	The Group	
		2011 \$'000	2010 \$'000
Cash generated from operations		128,338	185,914
Interest paid		(29,136)	(35,525)
Cash settlement of interest rate swaps		(2,835)	(972)
Interest received		6,554	5,845
Income tax paid	9(b)	(27,464)	(38,594)
Net cash generated from operating activities		75,457	116,668
Cash flows from investing activities			
Purchase of investment properties		(1,491)	(5,573)
Purchase of property, plant and equipment		(4,477)	(2,942)
Cost of developing investment properties		(51,917)	(160,133)
Proceeds from disposal of subsidiary companies	33	22,366	110,015
Proceeds from disposal of investment properties		183,194	14,631
Proceeds from disposal of property, plant and equipment		17	13
Proceeds from disposal of available-for-sale financial assets		27,053	-
Increase in investment in associated companies		(75,705)	(110,084)
Dividend received			
- available-for-sale financial assets		82	642
- associated companies		65,112	73,732
Cash settlement of foreign exchange forward contracts and cross-currency interest rate swaps		-	(8,726)
Repayment of loans from associated companies		-	5,190
Loan to joint venture company		(29,995)	-
Acquisition of subsidiary companies, net of cash acquired	32	244	-
Net cash generated from/(used in) investing activities		134,483	(83,235)
Cash flows from financing activities			
Repayment of borrowings		(171,538)	(34,495)
Increase in non-controlling interests		24,417	16,961
Proceeds from borrowings		112,846	111,750
Proceeds from medium term note		-	49,782
Fixed deposits pledged with financial institutions		(2,350)	(3,735)
Dividend paid to equity holder of the Company		(47,525)	(87,000)
Dividend paid to non-controlling interests		(2,133)	(1,945)
Net cash (used in)/generated from financing activities		(86,283)	51,318
Net increase in cash and cash equivalents		123,657	84,751
Cash and cash equivalents at beginning of financial year	18	294,626	209,034
Effects of exchange rate changes on cash and cash equivalents		(8,520)	841
Cash and cash equivalents at end of financial year	18	409,763	294,626

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

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

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 Jurong Town Corporation ("JTC"), a body incorporated by statute in Singapore. The address of its 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 39 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements of the Group and Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, 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.

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 and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below:

FRS 103 Business Combination (revised) and FRS 27 Consolidated and Separate Financial Statements (revised)

The revised FRS 103 *Business Combinations* and FRS 27 *Consolidated and Separate Financial Statements* are applicable for annual periods beginning on or after 1 July 2009. As of 1 April 2010, the Group adopted both revised standards at the same time in accordance with their transitional periods.

FRS 103 Business Combination (revised)

The revised FRS 103 introduces a number of changes to the accounting for business combination that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;
- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

FRS 103 Business Combination (revised)

- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 April 2010 are not adjusted.

FRS 27 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interests and disposal of subsidiaries before 1 April 2010. The changes will affect future transactions with non-controlling interest.

Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.

The Group has applied this amendment from 1 April 2010, but its application does not have a material impact on the financial statements.

INT FRS 117 Distributions of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009)

INT FRS 117 clarifies how the Group should measure distributions of assets, other than cash, to its owners. INT FRS 117 specifies that such a distribution should only be recognised when appropriately authorised, and that the dividend should be measured at the fair value of the assets to be distributed. The difference between the fair value and the carrying amount of the assets distributed should be recognised in profit or loss. INT FRS 117 applies to pro rata distributions of non-cash assets except for distributions to a party or parties under common control.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

INT FRS 117 Distributions of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) (continued)

The Group has applied INT FRS 117 from 1 April 2010, but its application does not have a material impact on the financial statements.

2.2 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
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Amendments to INT FRS 113 Customer Loyalty Programmes	1 July 2010
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115 Agreements for the Construction of Real Estate	1 January 2011
The Conceptual Framework for Financial Reporting 2010 (Chapter 1 and 3)	1 March 2011
Amendment to FRS 101 Secure Hyperinflation and Removal of First-time Adopters	1 July 2011
Amendments to FRS 107 Disclosures – Transfer of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax: Recovery of Improvements to FRSs issued in underlying assets	1 January 2012
Improvements to FRSs issued in 2010:	
Amendments to FRS 103 Business Combinations	1 July 2010
Transition requirements for amendments arising as a result of FRS 27 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 107 Financial Instruments: Disclosure	1 July 2010
Amendments to FRS 1 Presentation of Financial Statements	1 July 2010

Except for the revised FRS 24 and INT FRS 115 the directors expect 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 revised FRS 24 and INT FRS 115 are described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented for the next financial year.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.2 Standards issued but not yet effective (continued)

INT FRS 115 Agreements for the Construction of Real Estate

INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses. As at 31 March 2011, there is no financial impact to the Group should this INT FRS have been adopted. Going forward, the Group will continue to determine the impact upon adoption of INT FRS 115.

2.3 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. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

- (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 percentage of completion method.
- (c) Revenue from consultancy and turnkey projects is recognised using the percentage of completion method.
- (d) Rental income from operating leases is recognised on a straight-line basis over the term of the lease.
- (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 lease 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 2011

2. Significant accounting policies (continued)

2.4 Group accounting

(a) *Business combination 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 are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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 change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be 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 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.

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.

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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Business combination from 1 April 2010 (continued)*

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 results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be 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 measurements to the contingent consideration affected goodwill.

(b) *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners 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 owners of the Company.

Changes in the Company owners' 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 owners of the parent.

(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. 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. 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 the joint venture 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(c) *Associated companies (continued)*

Upon loss of significant influence over the associate, the Group measures 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 2.12 for the Company's accounting policy on investments in associated companies in the separate financial statements of the Company.

(d) *Joint venture companies*

Joint venture companies are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. 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 equity 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 any retained investment at its fair value. Any difference between the carrying amount of the former joint venture company upon loss of joint venture 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 2.12 for the Company's accounting policy on investments in joint venture companies in the separate financial statements of the Company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.5 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 2.13).

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 5 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.

2.6 Investment properties under development

Investment properties under development are properties being constructed or developed for future rental. They are carried at cost less impairment until construction or development is completed, at which time they are transferred and accounted for as investment properties. Cost capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.7 Investment properties

Investment properties of the Group, comprising principally completed office buildings and land that is held for a currently undetermined future use, 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 and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is 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 47 to 99 years
Buildings on freehold/leasehold land	- 12 to 50 years
Renovations and improvements	- 3 to 5 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 addition 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.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.8 Properties under development

Properties under development refer to development properties for sale.

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 using the percentage of completion method. The stage of completion is measured by reference to the physical surveys of construction work completed. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on development projects. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.9 Properties held for sale

Completed properties held for sale are carried at lower of cost and net realisable value. Cost includes cost of land and construction and borrowing costs incurred during the period of the construction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.10 Goodwill on acquisitions

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

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

Goodwill recognised separately is tested as least annually for impairment and carried at cost less accumulated impairment losses (Note 2.12).

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 Borrowing costs

Borrowing costs incurred to finance the development of properties are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

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

2.12 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 2.13) in the Company's balance sheet. On disposal of investments in subsidiary companies, associated and joint venture companies, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.13 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.13 Impairment of non-financial assets (continued)

(a) *Goodwill (continued)*

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

Investment properties under development

Investment 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 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.

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.

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.

2.14 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. 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 bank balances and trade and other receivables on the balance sheet.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.14 Financial assets (continued)

(a) *Classification (continued)*

(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 on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and sale proceeds received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value. 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.

Interest and dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair value of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes. The currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

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

(e) *Impairment*

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

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.14 Financial assets (continued)

(e) *Impairment (continued)*

(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, it is written off against the allowance account. Subsequent recovery of amounts previously written off is recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. 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*

In addition to the objective evidence of impairment described in Note 2.14(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity instruments are not reversed through profit or loss but recognised directly in other comprehensive income.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss, until the equity instruments are disposed of.

2.15 Financial guarantees

The Company has issued corporate guarantees to financial institutions for banking facilities granted to its subsidiary companies and jointly-controlled entities. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary companies or the jointly-controlled entities 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' 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 2011

2. Significant accounting policies (continued)

2.16 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.

2.17 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised on the balance sheet 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 and in the case of other financial liabilities, 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. 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.

(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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.18 Derivative financial instruments and hedging activities

A derivative financial instrument, including 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 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.

2.19 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.20 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.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(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 takes place.

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

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

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

(i) *Finance leases*

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

The leased asset is 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 indirect costs incurred by the Group in negotiating and arranging finance lease are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.20 Leases (continued)

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

(ii) *Operating leases*

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

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

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

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

2.21 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.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

- (a) the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction; and
- (b) In respect of taxable temporary differences associated with investment in subsidiary and associated 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.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary companies, associated companies and jointly-controlled entities, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised except:

- (a) 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
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.21 Income taxes (continued)

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

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income 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.

2.22 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 past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

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

2.23 Employee compensation

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

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

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.24 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, which is 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.

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 reporting date;
- (ii) Income and expenses are translated at average exchange rates; and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

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 reporting date. For acquisitions prior to 1 April 2005, the exchange rates at the dates of acquisition are used.

2.25 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.

2.26 Share capital

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

2.27 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

2. Significant accounting policies (continued)

2.28 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 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 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 its 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, all income and expenses from discontinued operations are reported separate 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.

2.29 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 relating to expenses are shown separately as offset against the related expenses.

2.30 Related parties

A party is considered to be related to the Group if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Group;
 - (ii) has an interest in the Group that gives it significant influence over the Group; or
 - (iii) has joint control over the Group;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Group or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

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 judgment is required in determining the capital allowances, taxability of certain incomes 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.

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 2.13). The fair values are determined using 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 judgment is required in establishing fair values. The judgments 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 detail in Note 35.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

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

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

Impairment of available-for-sale financial assets

The Group follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired. This determination requires significant 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 Company follows the guidance of FRS 36 in determining when the investment in associated companies is considered impaired. This determination requires significant judgement. The Company 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.

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4. Revenue

	The Group	
	2011 \$'000	2010 \$'000
Rental income and service charges from investment properties	128,721	130,851
Sale of completed development properties	41,737	40,880
Fund management fee	61,051	52,237
Property management and other consultancy services	25,984	22,532
Agency fee	19,650	13,541
Revenue from utilities supply and district cooling	14,359	8,844
Carpark income	9,817	8,426
Renovation services	2,481	4,154
Project consultancy and management fee	3,264	2,849
Others	11,527	9,203
	318,591	293,517

Included in rental income from investment properties is an amount of \$4,055,000 (2010: \$4,055,000) relating to amortisation of deferred income in respect of long-term leases (Note 27).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

5. Other gains/(losses) - net

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

	Note	The Group	
		2011 \$'000	2010 \$'000
Interest income			
- associated companies		915	625
- financial institutions		4,050	3,150
- finance leases		1,488	1,699
- others		101	364
Gross dividend income			
- unquoted investments		82	642
Corporate service income		796	745
Amortisation of financial guarantee		939	12
Gain on disposal of			
- investment properties		65,698	31,576
- property, plant and equipment		6	5
- subsidiary companies	33	5,942	39,607
- available-for-sale financial assets		19,494	-
Gain on dilution of interest in associated companies		5,502	13,627
Currency exchange loss		(2,715)	(695)
Gain on capital contribution by a minority shareholder of a subsidiary company		-	705
Gain on return of capital to a minority shareholder of a subsidiary company		-	2,032
Negative goodwill on acquisition of additional interests in associated companies		-	1,438
Fair value losses on derivative financial instruments	22	-	(1,465)
Allowance for impairment of receivables (made)/written back – net			
- amount owing by associated companies	35(b)(ii)	(602)	(1,040)
- other receivables	35(b)(ii)	(231)	55
Impairment losses written back/(made) – net on			
- investment properties	11	10,145	(31,177)
- associated companies		57	(4,278)
Others		2,588	2,434
		114,255	60,061

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

6. Employee compensation

	The Group	
	2011	2010
	\$'000	\$'000
Salaries, wages and employee benefits	66,769	58,120
Employer's contributions to defined contribution plans including Central Provident Fund	5,305	3,685
Less: Government grant – Jobs Credit Scheme	(83)	(1,015)
	71,991	60,790

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The Jobs Credit were paid to eligible employers in 2010 in six payments and the amount an employer received depended on the fulfilment of the conditions as stated in the scheme. The Jobs Credit Scheme expired on 30 June 2010.

7. Other operating expenses

Other operating expenses comprise the following:

	Note	The Group	
		2011	2010
		\$'000	\$'000
Allowance for impairment of receivables made/ (written back) – net			
- trade receivables from non-related parties	35(b)(ii)	49	(129)
Bad debts written off on trade and other receivables – net			
- non-related parties		8	18
Operating lease expense		2,889	2,630
Property, plant and equipment written off		144	352
Investment properties written off		-	602
Goodwill written off		6	-
Professional fees		4,008	4,690
Travel-related expenses		2,566	2,049
Advertising and publicity expenses		1,475	1,942
Business taxes		1,741	2,390
Security service expenses		2,687	2,462
Marketing and other agency fees		9,564	6,144
Communication expenses		1,362	1,447
Carpark expenses		3,983	3,272
Shuttle bus service expenses		2,882	3,171

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

7. Other operating expenses (continued)

Other operating expenses comprise the following (continued):

	Note	The Group	
		2011 \$'000	2010 \$'000
Insurance expenses		898	870
Recruitment expenses		620	343
Office rental and maintenance expenses		3,915	3,704
Directors' fees		1,403	1,164
Others		12,378	12,030
		52,578	49,151

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8. Finance expense

	The Group	
	2011 \$'000	2010 \$'000
Interest expense		
- financial institutions	20,127	26,118
- minority shareholders	8,989	9,198
- others	19	55
	29,135	35,371
Cash flow hedges, transfer from hedging reserve upon settlement (Note 29(c))	2,835	972
Interest expense capitalised in investment properties and investment properties under development	(194)	(107)
Finance expense recognised in profit or loss	31,776	36,236

The interest expense had been capitalised at rates ranging from 5.18% to 6.77% (2010: 5.18%) per annum for the current financial year.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

9. Income taxes

(a) *Income tax expense*

	The Group	
	2011	2010
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
Profit from current financial year		
- current tax expense	37,355	34,388
- deferred tax expense	906	4,584
	38,261	38,972
(Over)/under provision in respect of prior years		
- current tax expense	(1,319)	(4,051)
- deferred tax expense	(2,240)	801
	(3,559)	(3,250)
	34,702	35,722

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2011	2010
	\$'000	\$'000
Profit before income tax	225,196	132,805
Income tax using the statutory tax rate of 17% (2010: 17%)	38,283	22,577
Tax effect of non deductible expenses	16,524	24,326
Income not subject to tax	(20,580)	(8,839)
Effect of different tax rates arising from foreign jurisdictions	(366)	(4,509)
Utilisation of previously unrecognised tax losses and capital allowances	(159)	(678)
Effect of deferred tax assets not recognised	1,348	1,960
Effect of tax incentives	(519)	(416)
Effect of tax losses not allowed for carry forward	85	322
Overprovision in respect of prior years	(3,559)	(3,250)
Tax on overseas profits to be remitted	866	219
Tax on dividend income from associated companies	8,598	8,640
Tax calculated on share of profit of associated and joint venture companies	(6,798)	(3,722)
Others	979	(908)
Tax charge	34,702	35,722

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

9. Income taxes (continued)

(b) *Movements in current income tax liabilities*

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Beginning of financial year	116,499	121,485	146	196
Tax expense	37,355	34,388	-	-
(Over)/under provision in respect of prior years	(1,319)	(4,051)	(14)	18
Arising from disposal of subsidiary companies	39	(479)	-	-
Income tax paid	(27,464)	(38,594)	3	(68)
Tax effect of unrealised profits from transactions with associated companies	2,497	3,441	-	-
Transfer to deferred income tax liabilities	(30,820)	-	-	-
Currency translation differences	(841)	309	-	-
End of financial year	95,946	116,499	135	146

(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	
	2011 \$'000	2010 \$'000
Deferred income tax assets:		
- to be recovered within a year	-	(689)
- to be recovered after one year	(1,165)	(30,936)
	(1,165)	(31,625)
Deferred income tax liabilities:		
- to be settled after one year	11,094	12,107
	9,929	(19,518)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

9. Income taxes (continued)

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

Movements in deferred income tax account are as follows:

	The Group	
	2011	2010
	\$'000	\$'000
Beginning of financial year	(19,518)	(24,648)
Arising from disposal of subsidiary company	(52)	-
Tax credited to equity	72	(284)
Tax (credited)/charged to profit or loss	(1,334)	5,385
Transfer from current income tax liabilities	30,820	-
Translation differences	(59)	29
End of financial year	<u>9,929</u>	<u>(19,518)</u>

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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
2011				
Beginning of financial year	7,690	1,023	3,394	12,107
Arising from disposal of subsidiary company	-	(52)	-	(52)
Tax (credited)/charged to profit or loss	(1,191)	(11)	342	(860)
Currency translation differences	(101)	-	-	(101)
End of financial year	<u>6,398</u>	<u>960</u>	<u>3,736</u>	<u>11,094</u>
2010				
Beginning of financial year	4,000	172	3,389	7,561
Tax charged to profit or loss	3,657	851	5	4,513
Currency translation differences	33	-	-	33
End of financial year	<u>7,690</u>	<u>1,023</u>	<u>3,394</u>	<u>12,107</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

9. Income taxes (continued)

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

Deferred income tax assets

	Deferred income on long term lease \$'000	Others \$'000	Total \$'000
2011			
Beginning of financial year	(30,820)	(805)	(31,625)
Tax charged to equity	-	72	72
Tax credited to profit or loss	-	(474)	(474)
Transfer from current income tax liabilities	30,820	-	30,820
Currency translation differences	-	42	42
End of financial year	-	(1,165)	(1,165)
2010			
Beginning of financial year	(31,509)	(700)	(32,209)
Tax credited to equity	-	(284)	(284)
Tax charged to profit or loss	689	183	872
Currency translation differences	-	(4)	(4)
End of financial year	(30,820)	(805)	(31,625)

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

	The Group	
	2011 \$'000	2010 \$'000
Deductible temporary differences	1,579	1,132
Unabsorbed tax losses	36,828	39,301
	38,407	40,433

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 2011

10. Goodwill

	The Group	
	2011 \$'000	2010 \$'000
Cost		
Beginning and end of financial year	111,781	111,781

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to country of operation and business segment.

Goodwill allocated to the Group's fund management CGU in Singapore amounted to \$111,781,000 (2010: \$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	
	2011	2010
Growth rate ⁽¹⁾	1%	1%
Discount rate ⁽²⁾	9.52%	9.52%

⁽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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

11. Investment properties

	Note	The Group	
		2011 \$'000	2010 \$'000
Cost			
Beginning of financial year		1,571,157	1,300,515
Additions		1,625	12,043
Disposals/write-offs	11(f)	(125,252)	(99,014)
Arising from disposal of subsidiary companies	33	(41,638)	(130,338)
Transfer from investment properties under development	12	3,759	322,286
Transfer from/(to) property, plant and equipment	13	1,929	(743)
Transfer from properties under development	21	-	135,912
Transfer from properties held for sale		956	4,543
Transfer to assets classified as held for sale	20	-	(2,694)
Currency translation differences		(40,534)	28,647
End of financial year		1,372,002	1,571,157
Accumulated depreciation and impairment			
Beginning of financial year		283,668	244,273
Depreciation charge		36,170	36,257
(Reversal of impairment)/Impairment charge	5	(10,145)	31,177
Disposals/write-offs	11(f)	(14,590)	(10,847)
Arising from disposal of subsidiary companies	33	(2,507)	(18,816)
Transfer from investment properties under development	12	-	3,978
Transfer from property, plant and equipment	13	4	-
Transfer to assets classified as held for sale	20	-	(1,056)
Currency translation differences		(2,591)	(1,298)
End of financial year		290,009	283,668
Net book value			
End of financial year		1,081,993	1,287,489

- (a) Included in additions are investment properties acquired under credit terms amounting to \$134,000 (2010: \$6,373,000).
- (b) Investment properties are leased to non-related parties under operating leases (Note 36).
- (c) Investment properties with net book values of \$447,729,000 (2010: \$531,529,000) were pledged as security against loans from minority shareholders (Note 25) and bank loans (Note 26).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

11. Investment properties (continued)

- (d) 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, except for 1 investment property with a carrying amount of \$27,244,000 which was valued by in-house valuers, and including the premium received or receivable in advance in respect of land leases contracted at the balance sheet date (Note 27), are as follows:-

	The Group	
	2011	2010
	\$'000	\$'000
Fair value	1,675,028	1,896,904

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

	The Group	
	2011	2010
	\$'000	\$'000
Direct operating expenses arising from investment properties that generated rental income	(79,053)	(82,845)
Property tax and other direct operating expenses arising from investment properties that did not generate rental income	(1,821)	(4,445)

- (f) 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

12. Investment properties under development

	Note	The Group	
		2011 \$'000	2010 \$'000
Land and other related costs		28,343	7,598
Development costs		38,143	13,545
		66,486	21,143
Transfer to investment properties	11	3,759	318,308

Investment properties under development amounting to \$39,323,000 (2010: \$4,247,000) were pledged as security against bank loans (Note 26).

Investment properties under development are carried at cost less 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 under development as at the balance sheet date as determined by independent professional valuers, are as follows:-

	The Group	
	2011 \$'000	2010 \$'000
Fair value	151,457	38,763

During the financial year, borrowing cost of \$194,000 (2010: \$107,000), arising from borrowings obtained specifically for the development properties were capitalised under "development costs". The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 5.18% to 6.77% (2010: 5.18%), which is the effective interest rate of the specific borrowing.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

13. 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
2011							
Cost							
Beginning of financial year	4,740	7,167	4,828	23,560	1,008	1,147	42,450
Additions	-	-	176	1,723	99	2,655	4,653
Disposals/write-offs	-	-	(89)	(341)	(149)	-	(579)
Arising from disposal of a subsidiary company	33	-	-	(14)	-	-	(14)
Transfers /Reclassifications	-	-	-	798	-	(798)	-
Transfer from/(to) investment properties	11	-	-	(9)	-	(1,920)	(1,929)
Currency translation differences	-	-	(44)	(358)	(33)	(1)	(436)
End of financial year	4,740	7,167	4,871	25,359	925	1,083	44,145
2011							
Accumulated depreciation and impairment							
Beginning of financial year	(362)	(1,772)	(2,204)	(15,769)	(665)	-	(20,772)
Depreciation charge	(49)	(239)	(975)	(3,485)	(120)	-	(4,868)
Disposals/write-offs	-	-	20	297	149	-	466
Arising from disposal of a subsidiary company	33	-	-	7	-	-	7
Transfer from/(to) investment properties	11	-	-	4	-	-	4
Currency translation differences	-	-	13	262	20	-	295
End of financial year	(411)	(2,011)	(3,146)	(18,684)	(616)	-	(24,868)
Net book value							
End of financial year	4,329	5,156	1,725	6,675	309	1,083	19,277

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

13. 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
2010								
Cost								
Beginning of financial year		4,740	7,361	6,444	20,829	954	1,482	41,810
Additions		-	-	78	2,282	85	1,219	3,664
Disposals/write-offs		-	(194)	-	(3,131)	-	-	(3,325)
Arising from disposal of a subsidiary company	33	-	-	-	(200)	-	-	(200)
Transfers /Reclassifications		-	-	(1,556)	3,107	-	(1,551)	-
Transfer from/(to) investment properties	11	-	-	-	746	-	(3)	743
Currency translation differences		-	-	(138)	(73)	(31)	-	(242)
End of financial year		4,740	7,167	4,828	23,560	1,008	1,147	42,450
2010								
Accumulated depreciation and impairment								
Beginning of financial year		313	1,575	1,589	15,393	580	-	19,450
Depreciation charge		49	240	945	3,110	103	-	4,447
Disposals/write-offs		-	(43)	-	(2,921)	-	-	(2,964)
Arising from disposal of a subsidiary company	33	-	-	-	(122)	-	-	(122)
Transfers/Reclassifications		-	-	(336)	336	-	-	-
Currency translation differences		-	-	6	(27)	(18)	-	(39)
End of financial year		362	1,772	2,204	15,769	665	-	20,772
Net book value								
End of financial year		4,378	5,395	2,624	7,791	343	1,147	21,678

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

13. Property, plant and equipment (continued)

- (a) Included in additions are property, plant and equipment acquired on credit terms amounting to \$175,000 (2010: \$722,000). The cash outflow on acquisition of property, plant and equipment amounted to \$4,477,000 (2010: \$2,942,000).
- (b) The recoverable amounts of land and buildings were assessed on the basis of open market values by independent professional valuers at 31 March 2011.

14. Investments in subsidiary companies

	Note	The Company	
		2011 \$'000	2010 \$'000
Cost			
Beginning of financial year		797,784	792,253
Additions		3,614	5,531
End of financial year	39	801,398	797,784
Accumulated impairment			
Beginning of financial year		-	15,518
Impairment loss written back to profit or loss		-	(15,518)
End of financial year		-	-
		801,398	797,784

In 2010, as part of the annual review exercise, management performed an impairment test for its investment in Ascendas Land International Pte Ltd. A full reversal of impairment loss of \$15,518,000 was recognised for the financial year ended 31 March 2010 to remeasure this subsidiary to its recoverable amount. The recoverable amount of the investment in Ascendas Land International Pte Ltd has been determined and capped based on the lower of the net tangible asset values or fair values of its underlying property investments.

Details of subsidiary companies are included in Note 39.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

15. Investments in associated and joint venture companies

	Note	The Group	
		2011 \$'000	2010 \$'000
Investment in associated companies			
Quoted equity investments, at cost		689,804	680,745
Unquoted equity investments, at cost		471,914	404,380
	40	1,161,718	1,085,125
Less:			
Goodwill written off		(4,258)	(4,258)
Impairment		(5,974)	-
Share of post-acquisition reserves		(70,536)	(38,204)
Share of post-acquisition loss		(85,478)	(67,300)
Elimination of unrealised profits arising from transactions with associated companies		(77,782)	(68,295)
Dilution of interest		39,492	33,990
Translation differences		(26,906)	(22,001)
		930,276	919,057
Investment in joint venture companies			
Unquoted equity investments, at cost	40	56,861	53,247
Less:			
Share of post-acquisition loss		(14,390)	(9,452)
Translation differences		(982)	774
		41,489	44,569
Total investments in associated and joint venture companies		971,765	963,626
(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:			
- assets		7,364,514	6,802,350
- liabilities		3,602,547	3,076,331
- revenue		725,605	662,135
- net profit		217,700	137,984
Share of associated companies' contingent liabilities incurred jointly with other investors		27,188	27,648
Contingent liabilities for which the Group is severally liable		81,226	85,127

The Group has not recognised profits amounting to \$6,652,000 (2010: \$2,241,000) 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 losses not recognised were \$7,091,000 (2010: \$13,743,000). However, the Group has recognised a cumulative allowance for impairment of \$2,467,000 (2010: \$9,193,000) for the loans and advances to these associated companies.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

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

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

Further details regarding associated companies are set out in Note 40.

The Group's investment in associated companies include investments in listed associated companies with a carrying amount of \$563,325,000 (2010: \$596,970,000) for which the published price quotations are \$985,682,000 (2010: \$933,100,000) at the balance sheet date.

- (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 2011 should proportionate consolidation be adopted.

	The Group	
	2011 \$'000	2010 \$'000
Current assets	108,846	65,192
Non-current assets	117,266	107,089
	226,112	172,281
Current liabilities	29,730	82,190
Non-current liabilities	157,843	46,535
	187,573	128,725
Share of net assets	38,539	43,556
Revenue	4,276	3,577
Expenses	(8,276)	(4,844)
Net loss	(4,000)	(1,267)
Capital commitments in relation to interest in joint venture	128,055	158,050
Proportionate interest in joint venture's capital commitments	131,690	46,225

Further details regarding the joint venture companies are set out in Note 40.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

16. Loans and receivables

	Note	The Group		The Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade and other receivables - current					
Finance lease receivables	17	1,193	1,102	-	-
Trade receivables					
- non-related parties		4,186	3,058	-	-
- holding company		1,153	482	-	-
- associated companies		149,507	129,800	-	-
- joint venture companies		2,560	-	-	-
		157,406	133,340	-	-
Less: Allowance for impairment of receivables					
- non-related parties	35(b)(ii)	(108)	(889)	-	-
- associated companies	35(b)(ii)	(1,617)	(1,104)	-	-
Trade receivables – net		155,681	131,347	-	-
Other receivables					
- non-related parties		36,422	41,986	7	-
- subsidiary companies		-	-	546,776	464,655
- associated companies		4,469	5,551	2	2
- joint venture companies		93	-	-	-
- investee companies		63	62	-	-
		41,047	47,599	546,785	464,657
Advance to associated companies		-	833	-	-
Loan to associated company		13,177	-	-	-
Less: Allowance for impairment of other receivables					
- non-related parties	35(b)(ii)	(1,473)	(1,247)	-	-
- associated companies	35(b)(ii)	(27)	(14)	-	-
		209,598	179,620	546,785	464,657
Trade and other receivables – non current					
Finance lease receivables	17	4,880	6,073	-	-
Trade receivables - non-related parties		11,470	13,430	-	-
Other receivables					
- non-related parties		525	916	-	-
- loan to joint venture company		29,995	-	-	-
- loans to associated companies		22,028	29,664	-	-
		52,548	30,580	-	-
Less: Allowance for impairment of receivables					
- loans to associated companies	35(b)(ii)	(823)	(8,075)	-	-
Other receivables – net		51,725	22,505	-	-
		68,075	42,008	-	-
Add : Cash and bank balances	18	435,611	320,286	47,993	80,229
Total loans and receivables		713,284	541,914	594,778	544,886

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

16. 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 in cash.

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

Loan to associated company is unsecured and repayable on demand in cash with interest charged at 3.0% (2010: nil) 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% (2010: 8.16%) per annum.

(ii) Other receivables – non-related parties

Other receivables – non-related parties is receivable over 60 months commencing February 2008 and is interest-free.

(iii) Loans to associated companies

	The Group	
	2011	2010
	\$'000	\$'000
Interest-bearing loans	21,205	21,589
Interest-free loans	823	8,075
	22,028	29,664

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 rates ranging from 1.14% to 7.03% (2010: 1.4% to 7.03%) per annum.

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

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

17. Finance lease receivables

	The Group	
	2011 \$'000	2010 \$'000
Gross receivables due:		
- not later than one year	1,645	1,647
- later than one year and not later than five years	5,608	6,570
- later than five years	-	682
	7,253	8,899
Less: Unearned finance income	(1,180)	(1,724)
Net investment in finance leases	6,073	7,175

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

	Note	The Group	
		2011 \$'000	2010 \$'000
Not later than one year	16	1,193	1,102
Later than one year :			
- later than one year and not later than five years		4,880	5,404
- later than five years		-	669
	16	4,880	6,073
		6,073	7,175

18. Cash and bank balances

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand	203,191	94,517	4,983	5,228
Fixed deposits	232,420	225,769	43,010	75,001
Cash and bank balances	435,611	320,286	47,993	80,229
Less: Non-current fixed deposits pledged	(4,711)	(4,396)		
Less: Current fixed deposits pledged	(21,137)	(21,264)		
Cash and cash equivalents in the consolidated cash flow statement	409,763	294,626		
Non-current portion	4,711	4,396		
Current portion	430,900	315,890		
	435,611	320,286		

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

18. Cash and bank balances (continued)

Non-current fixed deposits of the Group of \$4,711,000 (2010: \$4,396,000) are pledged to financial institutions for banking facilities granted to an associated company. Included in current fixed deposits of the Group are deposits of \$21,137,000 (2010: \$21,264,000) pledged to lenders of a subsidiary company in respect of deposits put up by tenants of the subsidiary company.

19. Available-for-sale financial assets

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		93,257	49,198
Disposal		(21,609)	-
Fair value (losses)/gains recognised in equity	29(b)	(11,385)	44,059
End of financial year		60,263	93,257
Non-current portion		23,486	23,577
Current portion		36,777	69,680
		60,263	93,257

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

	The Group	
	2011 \$'000	2010 \$'000
Quoted equity securities	36,777	69,680
Unquoted equity securities	23,486	23,577
	60,263	93,257

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

20. Assets classified as held for sale

For the financial year ended 31 March 2010, the balance of \$2,794,000 pertained to the following:

- (i) \$1,638,000 pertained to an investment property for which a potential buyer placed a deposit with a subsidiary company of the Group for the option to purchase on 29 March 2010. The option was subsequently exercised on 12 April 2010 and the transaction is expected to be completed in September 2010. The option was subsequently exercised and the sale was completed.
- (ii) \$1,156,000 pertained to investment in an associated company where the Group management is of the opinion that the investment no longer fits the strategic objectives of the Group. The necessary internal approval had been obtained to dispose of this investment and management has initiated proceedings to locate a buyer. The sale of this investment is expected to take place within the next 12 months.

During the year ended 31 March 2011, this investment was transferred back to investment in associated company as the Group could not find a buyer for the investment during the financial year and does not expect the sale to take place within the next 12 months.

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21. Properties under development

	Note	The Group	
		2011 \$'000	2010 \$'000
Transfer to investment properties	11	-	135,912

In 2010, a subsidiary company of the Group transferred 2 completed properties to investment properties.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

22. Derivative financial instruments

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		(1,669)	(7,261)
Fair value (losses)/gains included in profit or loss - other gains/(losses) – net	5	-	(1,465)
Fair value loss included in equity	29(c)	(3,805)	(2,641)
Cash settlement		2,835	9,698
End of financial year		(2,639)	(1,669)

Analysed as:

	2011			2010		
	Contract/ notional amount \$'000	Fair values		Contract/ notional amount \$'000	Fair values	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
Cash flow hedges						
- Interest rate swaps	200,079	-	(2,639)	166,079	-	(1,669)
Less: Current portion	-	-	1,242	-	-	-
Non-current portion	-	-	(1,397)	-	-	(1,669)

The fixed interest rates on interest rate swaps vary from 1.56% to 2.16% (2010: 1.56% to 2.04%) 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 December 2011, 30 January 2012, 28 September 2012, 30 March 2015 and 31 March 2015 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 2011

23. Trade and other payables

	Note	The Group		The Company	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade payables					
- non-related parties		7,782	7,055	-	-
- associated companies		362	73	-	-
- other related companies		-	1	-	-
		8,144	7,129	-	-
Other payables					
- non-related parties		41,150	43,009	1,298	2,259
- subsidiary companies		-	-	581,293	496,796
- associated companies		-	365	-	-
- other related companies		-	62	-	-
		41,150	43,436	582,591	499,055
Accrued operating expenses		37,397	50,824	588	436
Rental and other deposits		43,870	46,564	-	-
Deferred income on long term leases - current portion	27	4,050	4,050	-	-
Deferred income		112	114	-	-
Financial guarantee contracts		2,879	205	8,593	9,752
Total trade and other payables		137,602	152,322	591,772	509,243
Add/(less):					
Deferred income on long term leases - current portion	27	(4,050)	(4,050)	-	-
Deferred income		(112)	(114)	-	-
Borrowings	26	575,734	663,089	149,206	129,782
Other payables – non-current	24	37,258	43,758	-	-
Loans from minority shareholders	25	139,662	151,662	-	-
Derivative financial instruments	22	2,639	1,669	370	-
Total financial liabilities carried at amortised cost		888,733	1,008,336	741,348	639,025

Trade and other payables to subsidiary companies, associated companies and other related companies are unsecured, interest-free and repayable on demand in cash. Other payables to non-related parties represent mainly advances received, interest payable, GST payable, retention sum payable and employee benefits.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

24. Other payables – non-current

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

25. Loans from minority shareholders

The loan from a minority shareholder amounting to \$4,062,000 (2010: \$4,062,000) is unsecured and interest-free. Although there is no fixed term of repayment for this loan, 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 \$135,600,000 (2010: \$147,600,000) is secured by investment properties amounting to \$326,570,000 (2010: \$354,408,000) and repayable on 27 May 2015. Interest is charged at 6.50% (2010: 6.50%) per annum. The fair value of the loan is \$149,249,000 (2010: \$140,541,000) discounted at market borrowing rate of 6.34% (2010: 7.30%) per annum.

26. 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 35.

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Current</i>				
Unsecured medium term note	-	80,000	-	80,000
Unsecured bank loans	125,907	86,000	-	-
Secured bank loans	21,487	6,457	-	-
	147,394	172,457	-	80,000
<i>Non-current</i>				
Unsecured medium term note	49,835	49,782	49,835	49,782
Unsecured bank loans	313,371	339,667	99,371	-
Secured bank loans	65,134	101,183	-	-
	428,340	490,632	149,206	49,782
Total	575,734	663,089	149,206	129,782

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

26. Borrowings (continued)

Terms and debt repayment schedule

	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
The Group				
2011				
Unsecured medium term notes				
- SGD note fixed at 5.15% per annum*	49,835	-	49,835	-
	49,835	-	49,835	-
Unsecured bank loans				
- SGD term loans fixed at 2.64% per annum	100,000	-	100,000	-
- SGD term loans variable at 0.61% to 3.25% per annum	339,278	125,907	213,371	-
	439,278	125,907	313,371	-
Secured bank loans				
- RMB term loan variable at 5.18% to 7.10% per annum	57,508	19,410	38,098	-
- INR term loan fixed at 9.20% per annum	2,352	2,077	275	-
- INR term loan variable at 14.75% per annum	6,194	-	6,194	-
- KRW term loan fixed at 6.50% per annum	20,567	-	20,567	-
	86,621	21,487	65,134	-
Total	575,734	147,394	428,340	-

* \$50,000,000 fixed rate notes less unamortised bank fees of \$165,000.

- (a) The \$50,000,000 Fixed Rate Notes due 2014 was issued on 29 April 2009 under the S\$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% (2010: 5.15%) per annum.

Under the same Programme, the \$80,000,000 Fixed Rate Notes issued on 14 May 2008 was fully repaid during the financial year, with interest charged at 3.66% for 2010.

- (b) The RMB (2010: SGD and RMB) term loans are secured by investment properties and investment properties under development amounting to \$140,010,000 (2010: \$157,539,000).
- (c) The INR term loan is secured by investment properties amounting to \$20,472,000 (2010: \$23,829,000).

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

26. Borrowings (continued)

(d) The KRW term loan is secured by investment properties amounting to \$326,570,000 (2010: \$354,408,000).

	Total \$'000	Within 1 year \$'000	After 1 year but within 5 years \$'000	After 5 years \$'000
The Group				
2010				
Unsecured medium term notes				
- SGD note fixed at 3.66% per annum	80,000	80,000	-	-
- SGD note fixed at 5.15% per annum*	49,782	-	49,782	-
	129,782	80,000	49,782	-
Unsecured bank loans				
- SGD term loans fixed at 2.64% to 3.61% per annum	186,000	86,000	100,000	-
- SGD term loans variable at 1.00% to 3.25% per annum	239,667	-	239,667	-
	425,667	86,000	339,667	-
Secured bank loans				
- SGD term loan variable at 1.59% per annum	2,500	-	2,500	-
- RMB term loan variable at 5.18% to 6.34% per annum	72,675	4,969	67,706	-
- INR term loan fixed at 9.20% per annum	4,092	1,488	2,604	-
- INR term loan variable at 13% per annum	5,987	-	4,020	1,967
- KRW term loan fixed at 6.50% per annum	22,386	-	-	22,386
	107,640	6,457	76,830	24,353
Total	663,089	172,457	466,279	24,353

The fair value of the borrowings as at balance sheet date approximated their carrying values.

27. 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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

27. Deferred income on long term leases (continued)

	Note	The Group	
		2011 \$'000	2010 \$'000
Within 12 months	23	4,050	4,050
After 12 months		173,190	177,245
		<u>177,240</u>	<u>181,295</u>

28. Share capital

The Company's share capital comprise fully paid-up 585,622,000 (2010: 585,622,000) ordinary shares with no par value, amounting to a total of \$585,622,000 (2010: \$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.

29. Fair value and other reserves

	Note	The Group	
		2011 \$'000	2010 \$'000
Foreign currency translation reserve	(a)	(116,485)	(62,207)
Fair value reserve	(b)	20,190	44,803
Hedging reserve	(c)	(11,335)	(8,938)
Other reserves	(d)	10,926	10,879
Premium received from non-controlling interests		665	-
		<u>(96,039)</u>	<u>(15,463)</u>

(a) *Foreign currency translation reserve*

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		(62,207)	(64,901)
Exchange differences arising on translation of foreign subsidiary companies and associated companies		(21,720)	1,465
Release on disposal of subsidiary companies	33	(712)	2,276
Release on transfer of investment in an associated company to assets held for sale charged to other gains/(losses) - net		-	(1,564)
Share of translation reserve of associated companies		(31,846)	517
End of financial year		<u>(116,485)</u>	<u>(62,207)</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

29. Fair value and other reserves (continued)

(b) Fair value reserve

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		44,803	1,628
Fair value (losses)/gains on available-for-sale financial assets	19	(11,385)	44,059
Reclassification to profit or loss following disposal		(14,112)	-
Share of fair value reserve of associated companies		884	(884)
End of financial year		20,190	44,803

(c) Hedging reserve

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		(8,938)	(11,972)
Fair value losses on cash flow hedges	22	(3,805)	(2,641)
Tax on fair value losses		(72)	284
Reclassification to profit or loss - finance expense upon settlement	8	2,835	972
Share of hedging reserve of an associated company		(1,624)	4,419
Non-controlling interests' share of hedging reserve		269	-
Balance at end of financial year		(11,335)	(8,938)

(d) Other reserves

	Note	The Group	
		2011 \$'000	2010 \$'000
Beginning of financial year		10,879	11,195
Transfer from revenue reserve		47	1,061
Release on disposal of subsidiary companies	33	-	(1,188)
Others		-	(189)
End of financial year		10,926	10,879

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 2011

30. 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	
		2011 \$'000	2010 \$'000
Beginning of financial year		117,887	122,808
Net (loss)/profit for the financial year		(919)	13,079
Dividends	31	(47,525)	(18,000)
End of financial year		69,443	117,887

31. Dividends

	The Company	
	2011 \$'000	2010 \$'000
Ordinary dividends paid		
Final tax-exempt dividend in respect of the previous financial year of 8.12 cents (2010: 3.07 cents) per share	47,525	18,000

32. Acquisition of subsidiary companies

On 9 July 2010, the Group acquired 100% of the issued share capital of Ascendas India Development VII Pte Ltd and 74% of Ascendas IT Park (Pune) Private Limited for a cash consideration of \$1.

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

	The Group	
	2011 \$'000	2010 \$'000
Current assets	566	-
Current liabilities	(566)	-
Identifiable net assets acquired	-	-
Cash consideration paid	#	-
Add: Cash of subsidiary company acquired	244	-
Net cash inflow	244	-

Less than \$1000

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

33. Disposal of subsidiary companies

During the current financial year, the Group disposed of or liquidated the following subsidiaries for a total consideration of \$29,707,000:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Ascendas Zpark (Singapore) Pte Ltd and its subsidiary	5 July 2010	100%
JTCI Industrial Holdings (Bangkok) Pte Ltd	12 January 2011	60%

During the previous financial year, the Group disposed of or liquidated the following subsidiaries for a total consideration of \$143,343,000:

Name of Subsidiary	Date Disposed	Effective Interest Disposed
Ascendas Plaza Pte Ltd and its subsidiary	1 September 2009	69.45%
First Ventures Corporation	26 February 2010	100%
Pioneer Investments (Labuan) Berhad	26 February 2010	100%

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

	Note	The Group	
		2011 \$'000	2010 \$'000
Investment properties	11	(39,131)	(111,522)
Property, plant and equipment	13	(7)	(78)
Other non-current assets		(291)	(90)
Current assets		(14,028)	(34,650)
Current liabilities		1,889	60,266
Non-current liabilities		24,211	2,628
		(27,357)	(83,446)
Less: Increase in investments in associated companies		2,518	-
Net assets disposed		(24,839)	(83,446)
Transfer from foreign currency translation reserve	29(a)	712	(2,276)
Transfer from other reserve	29(d)	-	1,188
Sales consideration		29,707	143,343
		5,580	58,809
Less: Unrealised profits arising from transactions with associated companies		362	(19,202)
Gain on disposal of subsidiary companies	5	5,942	39,607
		29,707	143,343
Sales consideration		29,707	143,343
Less: Cash of subsidiary companies disposed		(7,341)	(14,248)
Less: Amount offsetted against payables		-	(19,080)
Net cash inflow		22,366	110,015

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

34. Related party transactions

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

	The Group	
	2011	2010
	\$'000	\$'000
Holding company:		
Amounts received/receivable		
- facility and property management fee	2,615	5,400
Amounts paid/payable		
- operating lease	2,889	2,630
- car park licence fee	442	884
- professional fee	-	91
- miscellaneous expenses	3	9
Associated companies:		
Amounts received/receivable		
- corporate secretarial and service fee	465	444
- financial and accounting fee	50	54
- property related services and management fee	7,629	23,175
- fund management and trustee fees	61,051	47,887
- interest income	558	625
- car park licence fee	-	40
Sale of subsidiary companies	25,931	124,263
Sale of an investment property	125,600	116,000
Amounts paid/payable		
- property and project management fees	471	184
- car park licence fee and others	-	2,664
Key management personnel compensation:		
- salaries and other short term employee benefits	9,664	7,889
- post-employment benefits - contribution to CPF	225	184
	9,889	8,073

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management

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 derivatives shall be undertaken for speculative purposes.

(a) Market Risk

(i) Currency Risk

The Group operates in Asia with dominant operations in Singapore, India, People's Republic of China, Korea 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 Philippines Peso ("PHP").

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 2011

35. Financial risk management (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	PHP \$'000	Others \$'000	Total \$'000
The Group								
2011								
Financial Assets								
Cash and bank balances	322,492	7,154	40,140	28,532	36,552	285	456	435,611
Trade and other receivables	250,522	234	2,177	13,968	2,842	7,791	139	277,673
Deposits	547	57	220	835	558	66	22	2,305
	573,561	7,445	42,537	43,335	39,952	8,142	617	715,589
Financial Liabilities								
Trade and other payables								
– current								
Less: Deferred income								
included in trade and								
other payables	(64,276)	(4)	(20,728)	(9,183)	(38,639)	(270)	(340)	(133,440)
Borrowings	(489,113)	-	(57,508)	(8,546)	(20,567)	-	-	(575,734)
Interest rate swaps	(2,639)	-	-	-	-	-	-	(2,639)
Other financial liabilities	(13,012)	-	(7,395)	-	(156,469)	-	(44)	(176,920)
	(569,040)	(4)	(85,631)	(17,729)	(215,675)	(270)	(384)	(888,733)
Net financial								
(liabilities)/assets	4,521	7,441	(43,094)	25,606	(175,723)	7,872	233	(173,144)
Less:								
Net financial liabilities/								
(assets) denominated in								
the respective entities'								
functional currencies	(15,422)	(124)	39,387	(27,864)	179,731	(7,838)	(359)	167,511
	(10,901)	7,317	(3,707)	(2,258)	4,008	34	(126)	(5,633)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(a) Market Risk (continued)

(i) Currency Risk (continued)

	SGD \$'000	USD \$'000	RMB \$'000	INR \$'000	KRW \$'000	PHP \$'000	Others \$'000	Total \$'000
The Group								
2010								
Financial Assets								
Cash and bank balances	221,052	6,255	40,540	16,646	35,060	308	425	320,286
Trade and other receivables	193,501	233	2,206	13,812	3,201	8,117	558	221,628
Deposits	827	-	225	424	685	65	105	2,331
	415,380	6,488	42,971	30,882	38,946	8,490	1,088	544,245
Financial Liabilities								
Trade and other payables								
– current								
Less: Deferred income								
included in trade and other								
payables	(84,725)	(46)	(20,462)	(9,634)	(32,776)	(228)	(287)	(148,158)
Borrowings	(557,948)	-	(72,675)	(10,080)	(22,386)	-	-	(663,089)
Interest rate swaps	(1,669)	-	-	-	-	-	-	(1,669)
Other financial liabilities	(9,945)	-	(9,080)	-	(176,324)	-	(71)	(195,420)
	(654,287)	(46)	(102,217)	(19,714)	(231,486)	(228)	(358)	(1,008,336)
Net financial								
(liabilities)/assets	(238,907)	6,442	(59,246)	11,168	(192,540)	8,262	730	(464,091)
Less:								
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	219,994	(13)	55,494	(11,310)	193,506	(8,180)	(242)	449,249
	(18,913)	6,429	(3,752)	(142)	966	82	488	(14,842)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (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

If the USD, RMB, INR, KRW and PHP change against the SGD by 10% (2010: 7%), 6% (2010: 7%), 10% (2010: 3%), 8% (2010: 15%) and 6% (2010: 0%) 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:

	2011		2010	
	Profit After Tax \$'000	Equity \$'000	Profit After Tax \$'000	Equity \$'000
The Group				
USD against SGD				
- strengthened	607	-	373	-
- weakened	(607)	-	(373)	-
RMB against SGD				
- strengthened	(184)	-	(218)	-
- weakened	184	-	218	-
INR against SGD				
- strengthened	(188)	-	(4)	-
- weakened	188	-	4	-
KRW against SGD				
- strengthened	266	-	120	-
- weakened	(266)	-	(120)	-
PHP against SGD				
- strengthened	2	-	-	-
- weakened	(2)	-	-	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(a) Market Risk (continued)

(ii) Price Risk

The Group has available-for-sale investments in equity securities and is exposed to price risk. These securities are listed in Hong Kong. The Group is not exposed to commodity price risk.

Sensitivity Analysis

If prices for the equity securities listed in Hong Kong change by the percentages indicated below with all other variables including tax rates being held constant, the effects on profit after tax and equity will be as follows:

	2011		2010	
	Profit After Tax \$'000	Equity \$'000	Profit After Tax \$'000	Equity \$'000
<u>The Group</u>				
Listed in Hong Kong				
- increased by 19% (2010: 58%)	-	6,988	-	27,881
- decreased by 19% (2010: 58%)	-	(6,988)	-	(27,881)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(a) Market Risk (continued)

(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

The Group's interest-bearing financial assets at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, RMB and KRW (2010: SGD, KRW and RMB). If interest rates increase/decrease by 150 (2010: 200) 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 \$2,365,000 (2010: \$1,609,000) as a result of higher/lower interest income from these interest-bearing financial assets.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, RMB and INR (2010: SGD, RMB and INR). If interest rates increase/decrease by 175 (2010: 200) 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 \$2,947,000 (2010: \$2,569,000) as a result of higher/lower interest expense on these borrowings. If interest rates increase by 200 (2010: 200) basis points and decrease by 25 (2010: 50) basis points, with all other variables, including foreign currency exchange rates, being held constant, other comprehensive income would have been higher by \$7,312,000 (2010: \$6,588,000) and lower by \$914,000 (2010: \$1,647,000) 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 2011

35. Financial risk management (continued)

In respect of interest-bearing financial assets and liabilities, their effective interest rates at the balance sheet date and carrying amounts (including the effects of interest rate swaps) are illustrated as follows:

	Note	Effective interest rate %	Variable rates \$'000	Fixed rates \$'000	Non- interest bearing \$'000	Total \$'000
The Group						
2011						
Assets						
Trade and other receivables - non-current	16	2.29	15,650	49,070	3,355	68,075
Trade and other receivables - current	16	5.26	-	16,026	193,572	209,598
Cash and cash equivalents (excluding fixed deposit pledged)	18	1.07	174,310	206,186	29,267	409,763
Other financial assets		5.52	-	25,848	62,567	88,415
Total			189,960	297,130	288,761	775,851
Liabilities						
Trade and other payables (less deferred income)	23	9.10	-	27	133,413	133,440
Borrowings	26	2.94	202,901	372,833	-	575,734
Other financial liabilities		6.41	-	138,283	41,276	179,559
Total			202,901	511,143	174,689	888,733
2010						
Assets						
Trade and other receivables - non-current	16	3.21	15,650	12,007	14,351	42,008
Trade and other receivables - current	16	8.40	-	1,097	178,523	179,620
Cash and cash equivalents (excluding fixed deposit pledged)	18	0.80	81,306	200,109	13,211	294,626
Other financial assets		5.19	-	25,660	95,588	121,248
Total			96,956	238,873	301,673	637,502
Liabilities						
Trade and other payables (less deferred income)	23	9.09	-	27	148,131	148,158
Borrowings	26	3.62	154,750	508,339	-	663,089
Other financial liabilities		6.45	-	149,340	47,749	197,089
Total			154,750	657,706	195,880	1,008,336

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(iii) Interest Rate Risk (continued)

	Note	Effective interest rate %	Variable rates \$'000	Fixed rates \$'000	Non- interest bearing \$'000	Total \$'000
The Company						
2011						
Assets						
Trade and other receivables - current	16	-	-	-	546,785	546,785
Cash and cash equivalents (excluding fixed deposit pledged)	18	0.03	4,983	43,010	-	47,993
Other financial assets		-	-	-	1	1
Total			4,983	43,010	546,786	594,779
Liabilities						
Trade and other payables	23	-	-	-	591,772	591,772
Borrowings	26	2.52	65,371	83,835	-	149,206
Other financial liabilities		2.06	-	370	-	370
Total			65,371	84,205	591,772	741,348
2010						
Assets						
Trade and other receivables - current	16	-	-	-	464,657	464,657
Cash and cash equivalents (excluding fixed deposit pledged)	18	0.12	5,228	75,001	-	80,229
Other financial assets		-	-	-	5	5
Total			5,228	75,001	464,662	544,891
Liabilities						
Trade and other payables	23	-	-	-	509,243	509,243
Borrowings	26	4.23	-	129,782	-	129,782
Total			-	129,782	509,243	639,025

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (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.

As at balance sheet date, 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	
	2011 \$'000	2010 \$'000
Corporate guarantees provided to banks on loans to subsidiaries and a joint venture company	8,593	9,753

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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore	242,645	188,075	546,785	464,657
India	22,015	20,220	-	-
The Philippines	7,741	8,018	-	-
People's Republic of China	2,979	2,569	-	-
Others	2,293	2,746	-	-
	277,673	221,628	546,785	464,657

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(b) Credit Risk (continued)

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

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

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

The age analysis of trade receivables from non-related parties (current) as at the balance sheet date is as follows:-

	The Group			
	2011		2010	
	Gross	Allowance for Impairment	Gross	Allowance for Impairment
	\$'000	\$'000	\$'000	\$'000
Past due 0 to 90 days	3,625	84	1,757	34
Past due 91 to 180 days	195	4	76	3
Past due 181 to 360 days	27	2	24	16
Past due over 360 days	175	18	1,007	836
	4,022	108	2,864	889

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

	Note	The Group	
		2011	2010
		\$'000	\$'000
<u>Trade receivables (current)</u>			
Beginning of financial year		889	1,036
Allowance made/(written back) – net	7	49	(129)
Allowance utilised		(836)	(16)
Currency translation differences		6	(2)
End of financial year		108	889

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (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	
		2011 \$'000	2010 \$'000
<u>Trade receivables – associated companies (current)</u>			
Beginning of financial year		1,104	57
Allowance made	5	602	1,040
Currency translation differences		(89)	7
End of financial year		1,617	1,104

	Note	The Group	
		2011 \$'000	2010 \$'000
<u>Other receivables (current and non-current)</u>			
Beginning of financial year		9,336	9,392
Allowance (written back)/made	5	231	(55)
Allowance utilised		(7,164)	-
Currency translation differences		(80)	(1)
End of financial year		2,323	9,336

Trade and other receivables that are individually determined to be impaired at the balance sheet date 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 2011

35. Financial risk management (continued)

(c) Liquidity Risk

The Group manages the 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 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 balance sheet date 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				
2011				
Trade and other payables (less deferred income)	(133,440)	-	-	(133,440)
Borrowings	(161,640)	(452,720)	-	(614,360)
Other financial liabilities	(14,191)	(198,676)	(1,198)	(214,065)
	<u>(309,271)</u>	<u>(651,396)</u>	<u>(1,198)</u>	<u>(961,865)</u>
2010				
Trade and other payables (less deferred income)	(148,158)	-	-	(148,158)
Borrowings	(189,423)	(498,302)	(24,810)	(712,535)
Other financial liabilities	(11,312)	(79,209)	(154,368)	(244,889)
	<u>(348,893)</u>	<u>(577,511)</u>	<u>(179,178)</u>	<u>(1,105,582)</u>
The Company				
2011				
Trade and other payables	(591,772)	-	-	(591,772)
Borrowings	(2,462)	(160,294)	-	(162,756)
	<u>(594,234)</u>	<u>(160,294)</u>	<u>-</u>	<u>(754,528)</u>
2010				
Trade and other payables	(509,244)	-	-	(509,244)
Borrowings	(81,834)	(59,016)	-	(140,850)
	<u>(591,078)</u>	<u>(59,016)</u>	<u>-</u>	<u>(650,094)</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(c) Liquidity Risk (continued)

The table below analyses the maturity profile of the Group's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date 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
<u>The Group</u>				
2011				
Net-settled interest rate swaps – cash flow hedges	(1,242)	(1,397)	-	(2,639)
2010				
Net-settled interest rate swaps – cash flow hedges	-	(1,669)	-	(1,669)
<u>The Company</u>				
2011				
Net-settled interest rate swaps – cash flow hedges	-	(370)	-	(370)

The Company has no derivative financial instruments at 31 March 2010.

(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, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(d) Capital Risk (continued)

Management 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	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Total borrowings including loans from minority shareholders	715,396	814,751	149,206	129,782
Total equity	1,871,767	1,800,329	654,695	703,509
Debt equity ratio	38.2%	45.3%	22.8%	18.4%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2011 and 2010.

(e) Fair value measurements

The Group classify 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).

The following table presents the assets and liabilities measured at fair value at 31 March 2011.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group				
Assets				
Available-for-sale financial assets - equity securities	36,777	-	1,099	37,876
Liabilities				
Derivatives used for hedging	-	(2,639)	-	(2,639)
The Company				
Liabilities				
Derivatives used for hedging	-	(370)	-	(370)

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

35. Financial risk management (continued)

(e) Fair value measurements (continued)

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.

There have been no changes in Level 3 instruments for the financial year ended 31 March 2011.

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	
	2011	2010
	\$'000	\$'000
Carrying value		
Financial assets:		
Available-for-sale financial assets - equity securities	22,387	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.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

36. Commitments

As at the end of the financial year, the Group and the Company had the following commitments:

Development and capital expenditure:

	The Group	
	2011	2010
	\$'000	\$'000
Amounts approved and contracted for	185,942	46,662
Amounts approved but not contracted for	460,694	228,616
	646,636	275,278

Commitments in respect of investments are as follows:

	The Group	
	2011	2010
	\$'000	\$'000
- property trust funds	45,000	45,000
- associated companies	155,703	308,960
- jointly-controlled entity	128,055	158,050
	328,758	512,010

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

Future minimum lease payments under non-cancellable operating leases are as follows:

	The Group	
	2011	2010
	\$'000	\$'000
Lease payments due:		
- within 1 year	3,315	4,281
- after 1 year but within 5 years	13,250	13,981
- after 5 years	120,066	150,318
	136,631	168,580

Included in the above lease payments of the Group is an amount of \$44,447,000 (2010: \$167,378,000) payable to the holding company.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

36. Commitments (continued)

In addition, there is one 30+30 year term and a 30-year term operating leases on leasehold land, which expires in January 2065 and October 2030 respectively. The lease rental is subject to yearly revision. The payments due are computed without the yearly revision as the quantum has not been determined.

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

Future minimum lease receivables under non-cancellable operating leases are as follows:

	The Group	
	2011 \$'000	2010 \$'000
Lease receivables:		
- within 1 year	103,517	94,339
- after 1 year but within 5 years	197,718	264,593
- after 5 years	82,279	166,743
	<u>383,514</u>	<u>525,675</u>

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

37. 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, of which the total and cumulative liability shall not exceed the sum of \$3 million. Its liability to indemnify the buyer against contingent claims has lapsed with effect from 29 December 2009.

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"). The fire burnt down the entire building and resulted in 8 deaths and 1 seriously injured. As at 2 June 2011, AKI and AKIF have received civil lawsuits with claims totaling \$98 million and court hearings for some of the lawsuits are in progress. No provision has been recognised as management is of the view that the claims are without merit and AKIF, AKI and its employees have not been prosecuted for any part in the cause of the fire. 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 \$0.6 million had not been provided for as at 31 March 2011.

Contingent assets

Arising from the WILC fire, AKIF has received insurance payout from the insurer of the building amounting to \$30 million (2010: \$22 million) and has been awarded a further \$7 million. In view of the pending civil suits disclosed above, no contingent assets have been recognised in the financial statements on grounds of prudence.

38. Events occurring after the reporting period

- (a) On 1 April 2011, a subsidiary company of the Group in Singapore took possession of the land it had successfully tendered from the Group's ultimate holding company on 7 January 2011. Prior to possession, a deposit of \$1.3 million had been paid on 25 March 2011.
- On 8 April 2011, the balance of the first 25% of the land premium less deposit amounting to \$20.6 million was paid and the balance of 75% or \$65.4 million is to be paid by the subsidiary company by 16 June 2011.
- (b) On 11 April 2011, Ascendas Fund Management (S) Limited, the manager of the Group's associated company, A-REIT, issued 206.2 million new units in A-REIT at an issue price of \$1.94 per new unit. With the issue of new units, the total number of units in A-REIT in issue is 2,080 million as at 11 April 2011. Immediately following this issue of new units, the Group's effective shareholding in A-REIT decreased from 20.86% to 18.79% with a dilution gain of approximately \$30 million to be recorded in the financial year ending 31 March 2012.

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

39. Subsidiary companies

The following are the Company's subsidiary companies:

Direct subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Percentage of equity held by the Company		Cost of investment	
				2011	2010	2011	2010
				%	%	\$'000	\$'000
Ascendas Investment Pte Ltd*	Investment holding	Singapore	Ordinary	100	100	337,809	337,809
Ascendas Land International Pte Ltd*	Investment holding	Singapore	Ordinary	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	Ordinary	100	100	258,131	254,517
						801,398	797,784

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011 %	2010 %
Subsidiary companies of Ascendas Investment Pte Ltd					
Ascendas Holdings (Manila) Pte Ltd*	Investment holding	Singapore/ Philippines	Ordinary	63.75	63.75
Ascendas Utilities Pte Ltd*	Investment holding	Singapore	Ordinary	100	100
JTCI Industrial Holdings (Bangkok) Pte Ltd®	Investment holding	Singapore/ Thailand	Ordinary	-	60
Ascendas Funds Management (S) Limited*	Property fund management	Singapore	Ordinary	100	100
Ascendas Property Fund Trustee Pte Ltd*	Trustee for property trust and property fund management	Singapore	Ordinary	100	100
Ascendas Services (Shanghai) Co., Ltd**	Provision of e-infrastructure services	People's Republic of China	Registered Capital	100	100
Ascendas China Fund Management Pte. Ltd.*	Property fund management	Singapore	Ordinary	100	100
Ascendas China Commercial Fund Management Pte. Ltd.*	Property fund management	Singapore	Ordinary	100	100
Ascendas Asia Fund Management Pte. Ltd. (Formerly known as Ascendas S.E. Asia Business Space Fund Management Pte. Ltd.)*	Property fund management	Singapore	Ordinary	100	100
Ascendas India Development Fund Management Pte. Ltd.*	Trustee for property trust and property fund management	Singapore	Ordinary	100	100
AIDT2 Trustee Pte. Ltd.*	Trustee for property trust	Singapore	Ordinary	100	100
AIDT2 Fund Management Pte. Ltd.*	Property fund management	Singapore	Ordinary	100	100
Ascendas Japan Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Asset Management Co., Ltd**	Property fund management	Korea	Ordinary	100	100

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011	2010
				%	%
Subsidiary companies of Ascendas Land International Pte Ltd					
Ascendas (China) Pte Ltd*	Investment holding	Singapore/ People's Republic of China	Ordinary	100	100
Ascendas (Philippines) Corporation**	Construction and project management	Philippines	Ordinary	100	100
Ascendas (India) Private Limited**	Construction of infrastructure facilities, commercial and residential complexes and townships	India	Equity	100	100
Crystal Clear Limited ⁺	Investment holding	Cayman Islands	Ordinary	100	100
Riverbook Group Limited ⁺	Investment holding	British Virgin Islands	Ordinary	100	100
			Redeemable preference shares	100	100
Ascendas (Korea) Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
a-kof2 ***	Private trust investing in real estate in Korea	Korea	Ordinary	57	57
Ascendas (Malaysia) Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Mahindra IT Park Private Limited**	Development, owning and management of information technology parks	India	Equity	98.7	98.7
Ascendas China Trustee Pte. Ltd.*	Trustee for property trust	Singapore	Ordinary	100	100
Ascendas China Commercial Trustee Pte. Ltd.*	Trustee for property trust	Singapore	Ordinary	100	100
Ascendas S.E. Asia Business Space Fund Trustee Pte. Ltd.*	Trustee for property trust	Singapore	Ordinary	100	100
Ascendas (ACIBPF) Holdings Pte. Ltd.*	Investment holding	Singapore	Ordinary	66.74	66.74
Ascendas (ACCF) Holdings Pte. Ltd.*	Investment holding	Singapore	Ordinary	71.88	71.88
Ascendas India Development VII Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	-

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011	2010
				%	%
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	Ordinary	100	100
Ascendas (Tuas) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Ascendas Services Pte Ltd*	Marketing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Ascendas (Ubi) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Ascendas Development Pte Ltd*	Investment holding	Singapore	Ordinary	100	100
Ascendas (KB View) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Ascendas (Admiralty) Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Arcasia Properties, Inc ⁺	Property leasing	United States of America	Ordinary	100	100
iAxil Pte Ltd*	Incubation management and business advisory services	Singapore	Ordinary	100	100
Tuas View Development Pte Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	65	65
Singapore Science Park Ltd*	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	100
Ascendas Media Hub Pte Ltd* [^]	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	-
Ascendas Venture Pte Ltd* [^]	Property owners and the planning, developing and management of industrial parks and related facilities	Singapore	Ordinary	100	-

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For The Financial Year Ended 31 March 2011

39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011	2010
				%	%
Subsidiary company of Ascendas Japan Pte Ltd					
Ascendas Japan Inc ⁺	Property fund management	Japan	Ordinary	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	Registered Capital	100	100
Beijing Ascendas-BETIDC Development Co., Ltd.**	Building, managing, leasing and selling built-to-suit facilities	People's Republic of China	Registered Capital	99.8	99.8
Ascendas Services (Suzhou) Co., Ltd**	Provision of project consultancy, project management and other related services	People's Republic of China	Registered Capital	100	100
Xi'an Ascendas-Science Technology Investment Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	Registered Capital	80	80
Ascendas Development (Tianjin) Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	Registered Capital	100	100
Ascendas Nanjing Jiangning Investment Holding Pte Ltd*	Investment holding	Singapore	Ordinary	100	100
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	Registered Capital	100	100
Ascendas Zpark (Singapore) Pte. Ltd. [®]	Investment holding	Singapore	Ordinary	-	100
Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Singapore-Hangzhou Science & Technology Park II Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Singapore-Hangzhou Science & Technology Park III Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100

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39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011 %	2010 %
Subsidiary companies of Ascendas (China) Pte Ltd (continued)					
Ascendas Singapore-Hangzhou Science & Technology Park V Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Singapore-Hangzhou Science & Technology Park VI Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Singapore-Hangzhou Science & Technology Park VII Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Suzhou Science & Technology Park Pte Ltd*	Investment holding	Singapore	Ordinary	100	100
Subsidiary company of Crystal Clear Limited					
Krefelt Investments Pte Ltd*	Investment holding	Singapore	Ordinary	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	Ordinary	100	100
Ascendas (Mauritius) Limited ⁺	Investment holding	Mauritius	Ordinary	100	100
Subsidiary company of Ascendas (Mauritius) Limited					
Ascendas (Malta) Limited ⁺	Investment holding	Malta	Ordinary	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	Registered Capital	100	100
Subsidiary company of Ascendas Zpark (Singapore) Pte. Ltd.					
Ascendas Hi-tech Development (Beijing) Co., Ltd@	To build, manage (including management and maintenance of properties and M&E facilities), lease and sell industrial facilities, and provide project management and project consultancy services	People's Republic of China	Registered Capital	-	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	Registered Capital	80	80

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39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011	2010
				%	%
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	Registered Capital	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	Registered Capital	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	Registered Capital	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	Registered Capital	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	Registered Capital	80	80
Subsidiary company of Ascendas Suzhou Science & Technology Park Pte Ltd					
Ascendas Science & Technology Park Development (SIP) Co., Ltd**	Development, sale and leasing of properties	People's Republic of China	Registered Capital	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	Equity	74	-

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For The Financial Year Ended 31 March 2011

39. Subsidiary companies (continued)

Indirect subsidiary companies	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group	
				2011 %	2010 %
Subsidiary companies of Ascendas Services Pte Ltd					
Ascendas Property Management Services (India) Private Limited**	Marketing and management of industrial parks and related facilities	India	Equity	100	100
Ascendas Services Malaysia Pte Ltd*	Investment holding	Singapore	Ordinary	100	100
Ascendas Services Vietnam Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Services Philippines Pte. Ltd.*	Investment holding	Singapore	Ordinary	100	100
Ascendas Services Beijing Co., Ltd.**	Investment holding	People's Republic of China	Ordinary	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	Ordinary	100	100
Subsidiary company of Ascendas Services Vietnam Pte. Ltd.					
Ascendas Services Vietnam Co., Ltd**	Real estate consultancy and management services whether residential, commercial or industrial-related; construction project management and management consultancy services	Vietnam	Ordinary	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	Ordinary	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	Ordinary	70	-

* Audited by Ernst & Young LLP, Singapore.

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

*** Audited by other auditors.

[^] 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

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40. Associated and joint venture companies

Associated companies	Principal activities	Country of incorporation/ place of business	Effective interest held by the Group		Cost of investment	
			2011 %	2010 %	2011 \$'000	2010 \$'000
Subsidiary companies of Ascendas Investment Pte Ltd						
Karimun Investment Holding Pte Ltd***	Investment holding	Singapore/ Indonesia	25	25	2,800	2,800
Thai Industrial Estate Corporation Limited***	Development and management of industrial park in Thailand	Thailand	25	25	1,808	-
Subsidiary 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	25.87	25.51	121,583	118,690
a-kof***	Private trust investing in income generating office buildings and office development projects in Seoul and Seoul Metropolitan area	Korea	30	30	35,426	35,426
a-kif***	Private trust investing in logistics and industrial assets, both income generating and development projects in South Korea	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	32,523	32,523
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	113,880
Associated companies of Ascendas Land (Singapore) Pte Ltd						
Ascendas Global Gateway Pte Ltd***	Provision of telehousing and infocomm infrastructure and facilities	Singapore	40	40	1,059	1,059
Corporation Place Pte Ltd***	Property investment and development	Singapore	25	25	3,000	3,000
Teletech Park Pte Ltd*	Property investment and development	Singapore	25	25	6,250	6,250
Ascendas Real Estate Investment Trust*** #	Investment advisor and property fund management	Singapore	20.86	20.73	568,221	562,055

Notes to the Financial Statements

For The Financial Year Ended 31 March 2011

40. 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	
			2011	2010	2011	2010
			%	%	\$'000	\$'000
Associated company of Ascendas Holdings (Manila) Pte Ltd						
Carmelray-JTCL 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	2,344	2,545
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	33,682
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	127,576
					1,161,718	1,085,125

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For The Financial Year Ended 31 March 2011

40. 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	
			2011	2010	2011	2010
			%	%	\$'000	\$'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	50.0	50.0	16,331	12,717
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
					56,861	53,247

* Audited by Ernst & Young LLP, Singapore.

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

*** Audited by other auditors.

Includes 1.50% held by Ascendas Funds Management (S) Limited (2010: 1.50%).

** Includes 1.93% held by Ascendas Property Fund Trustee Pte Ltd (2010: 1.45%).

41. Comparative figures

The consolidated financial statements for the financial year ended 31 March 2010 were audited by another firm of Certified Public Accountants.

42. 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 2 June 2011.



ascendas

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