

FINANCIAL REVIEW

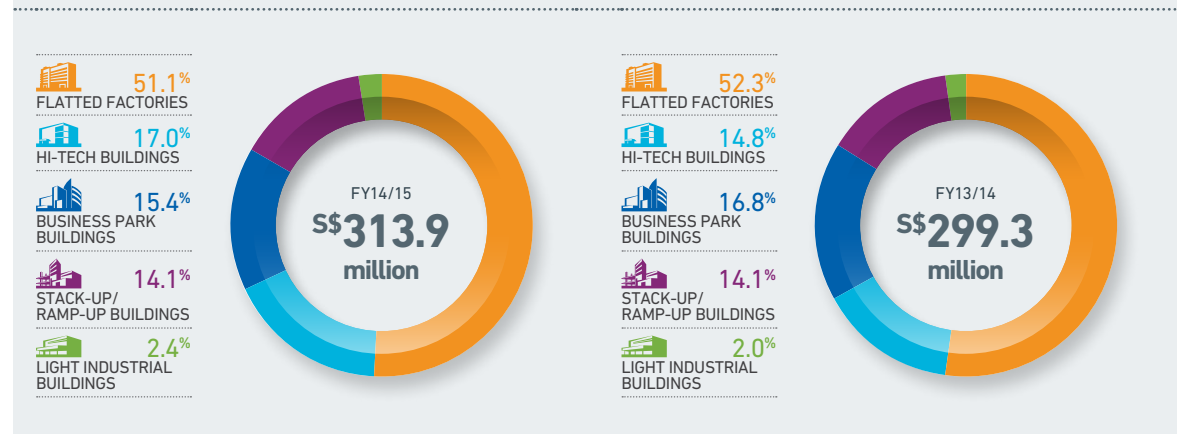
STATEMENT OF NET INCOME AND DISTRIBUTION

	FY14/15 S\$'000	FY13/14 S\$'000	CHANGE %
Gross revenue	313,873	299,276	4.9
Property operating expenses	(85,260)	(84,537)	0.9
Net property income	228,613	214,739	6.5
Interest income	232	272	(14.7)
Borrowing costs	(23,785)	(25,908)	(8.2)
Manager's management fees			
– Base fees	(16,534)	(15,503)	6.7
– Performance fees	(8,230)	(7,731)	6.5
Trustee's fees	(481)	(460)	4.6
Other trust expenses	(1,823)	(1,785)	2.1
Net income	177,992	163,624	8.8
Amount available for distribution	180,837	166,111	8.9
Distribution per Unit (Singapore cents)	10.43	9.92	5.1

GROSS REVENUE

Gross revenue for FY14/15 was S\$313.9 million, S\$14.6 million higher than the gross revenue for FY13/14. The improvement was mainly attributed to higher rental rates secured for new leases and renewal leases, new revenue contribution from 2A Changi North Street 2 which was acquired in May 2014 and the BTS data centre for Equinix which was completed in January 2015, as well as the full year contribution from the projects completed in FY13/14.

GROSS REVENUE (BY PROPERTY SEGMENT)

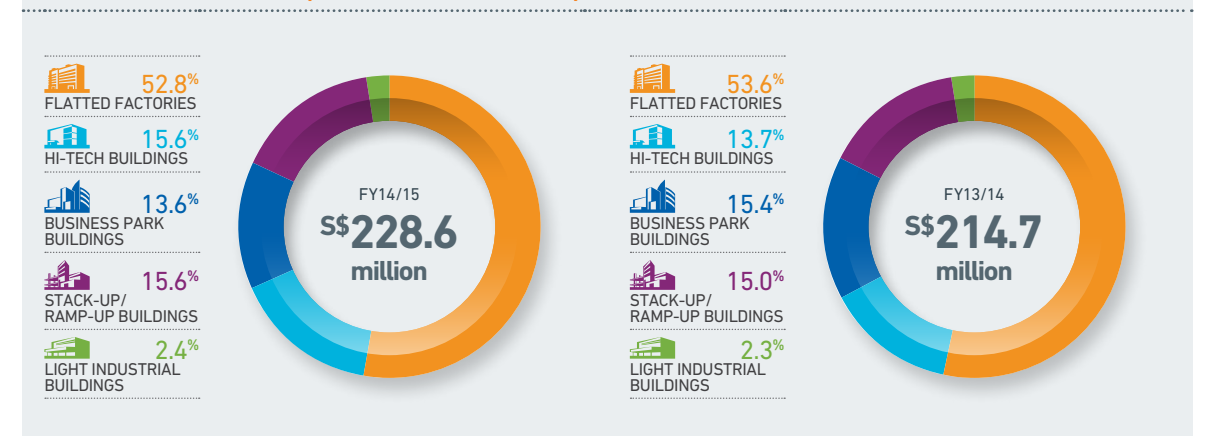


NET PROPERTY INCOME

Net property income increased by S\$13.9 million to S\$228.6 million in FY14/15 due to higher gross revenue which was offset partly by higher property operating expenses. Property operating expenses for FY14/15 was S\$85.3 million, 0.9% or S\$0.7 million higher than FY13/14. This was due mainly to higher property taxes as well as higher property and lease management fees, offset partially by lower property maintenance expenses. Despite the rising operating expenses, the net property income margin for the portfolio improved from 71.8% to 72.8% with the implementation of various cost saving initiatives.

The relative contributions from the various property segments to the gross revenue and net property income for FY14/15 remained largely similar as FY13/14 with Flatted Factories being the largest contributor. Flatted Factories contributed about 51.1% and 52.8% of the gross revenue and net property income respectively.

NET PROPERTY INCOME (BY PROPERTY SEGMENT)



NET INCOME AND DISTRIBUTION

The amount available for distribution for FY14/15 was S\$180.8 million, 8.9% or S\$14.7 million higher as compared to FY13/14. As a result, the DPU of 10.43 Singapore cents for FY14/15 was 5.1% higher as compared to 9.92 Singapore cents in FY13/14. The increase was mainly attributed to the higher net property income and lower borrowing costs which were partially offset by the higher manager's management fees. The lower borrowing costs were the result of lower hedged rates as well as lower amount of borrowings. The weighted average interest rate achieved for FY14/15 was 2.1% as compared to 2.2% in FY13/14.

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

AS AT 31 MARCH

	2015 S\$'000	2014 S\$'000	CHANGE %
Total Assets	3,515,954	3,275,053	7.4
Total Liabilities	1,203,771	1,246,396	(3.4)
Net Assets Attributable to Unitholders	2,312,183	2,028,657	14.0
Net Asset Value per Unit (S\$)	1.32	1.20	10.0

Total assets increased by 7.4% from S\$3,275.1 million as at 31 March 2014 to S\$3,516.0 million as at 31 March 2015. The increase was primarily attributed to a portfolio revaluation gain of S\$197.4 million (from the redevelopment of the Telok Blangah Cluster and improved portfolio performance) and capitalised cost of S\$57.2 million from developments and acquisition. As a result, net assets attributable to Unitholders increased by 14.0% from S\$2,028.7 million as at 31 March 2014 to S\$2,312.2 million as at 31 March 2015. The net asset value per Unit had also correspondingly increased by 10% from S\$1.20 to S\$1.32.