Gaining Ground

Mapletree Investments Pte Ltd
Annual Report 2016/2017

mapletree

Total amount committed to communities (since FY10/11)

S$15 million

Businesses served globally

~5,000

PATMI

S$1,413.7 million

Total AUM

S$39.5 billion

Total GFA

>14 million sqm

Expansive portfolio across

12 economies

Gaining Ground

At Mapletree, we always strive to better our performance. To achieve this, we constantly enhance our business model to capitalise on growth opportunities, while adhering to a disciplined approach with rigorous risk management processes when evaluating new investment opportunities.

We aim to further strengthen our strong earnings base to continue delivering sustainable returns to our stakeholders.

Contents

Performance Highlights

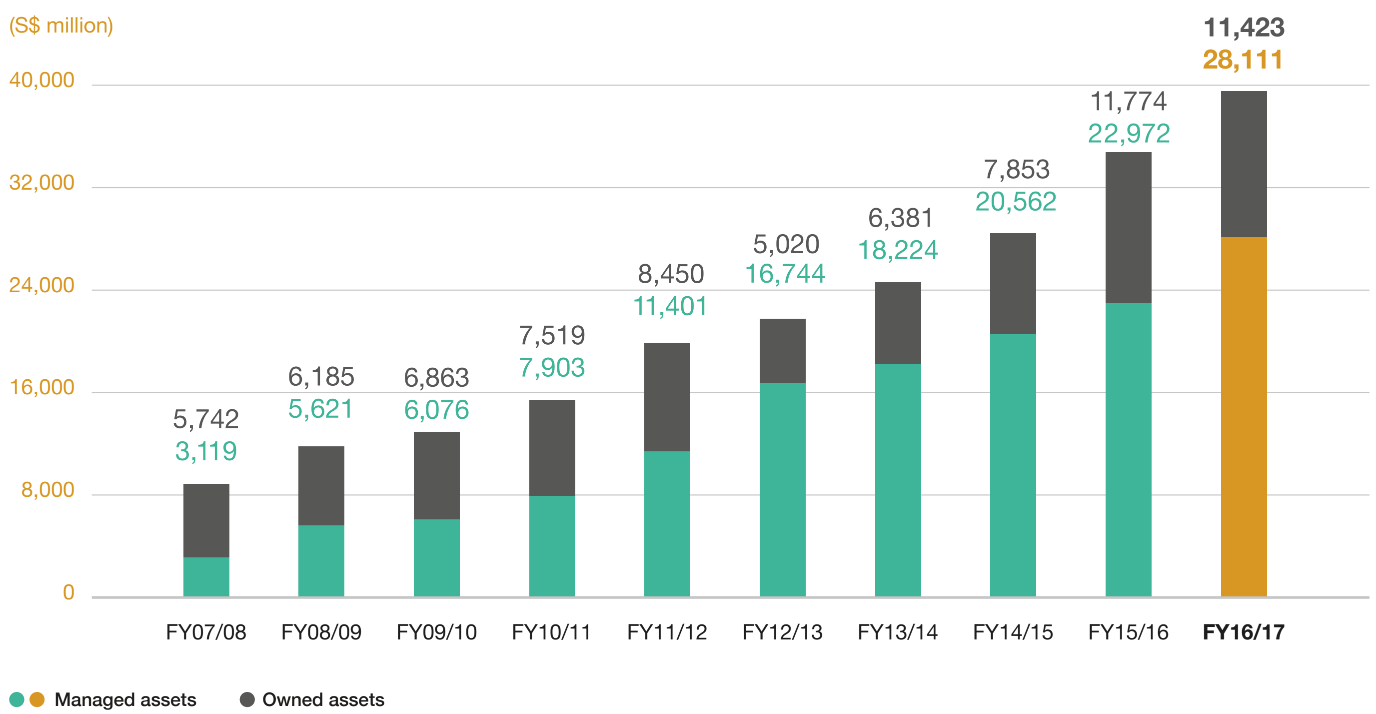
The financial year ended 31 March 2017 (FY16/17) saw record profitability achieved, driven by earnings from acquisitions in Australia, the United Kingdom, the United States and Vietnam. In addition, profits were supported by the completion of properties previously under development as well as strong performance of Mapletree's four REITs.

Overall revenue rose to S$2.3 billion, with profit after tax and minority interests (PATMI[1]) hitting a high of S$1,413.7 million, a 46% increase from S$965.2 million a year ago.

Total Assets Under Management (AUM) (FY16/17)

S$ 39.5 billion

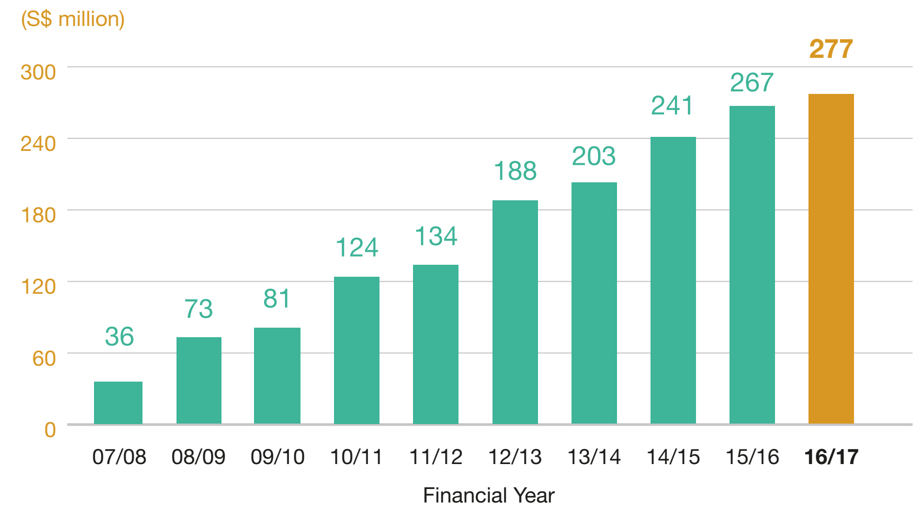
AUM



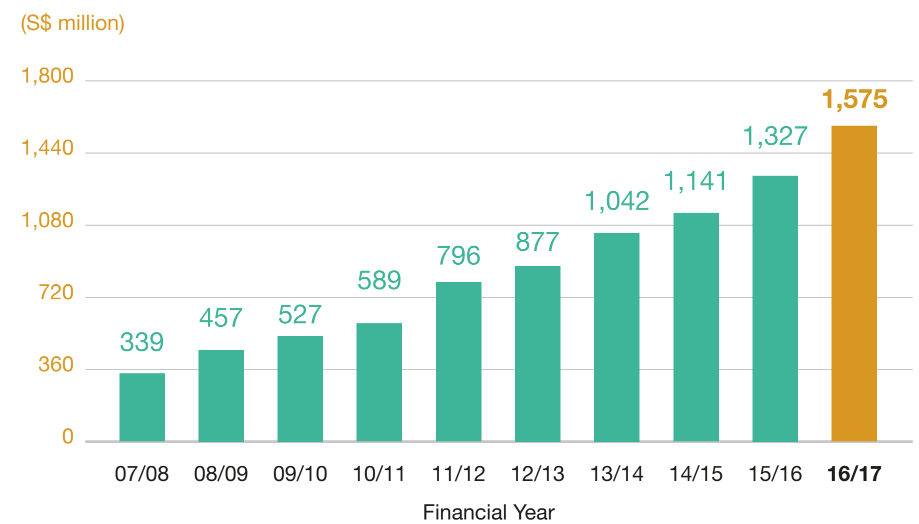
PATMI[1] (FY16/17)

S$ 1,413.7m

Fee Income[2]



EBIT + SOA[3]



Average Five-Year ROIE[4] (From FY12/13 – FY16/17)

11.2%

Average 10-Year ROIE[4] (From FY07/08 – FY16/17)

11.7%

Five-Year NAV CAGR[5] (From FY12/13 – FY16/17)

11.8%

10-Year NAV CAGR[6] (From FY07/08 – FY16/17)

13.1%

1 PATMI denotes net profit (after tax and non-controlling interests) attributable to perpetual securities holders and equity holder of the Company.
2 Including REIT management fees.
3 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.
4 ROIE denotes return on invested equity and is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.
5 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as at 31 March 2012 as starting base.
6 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as at 31 March 2007 as starting base.

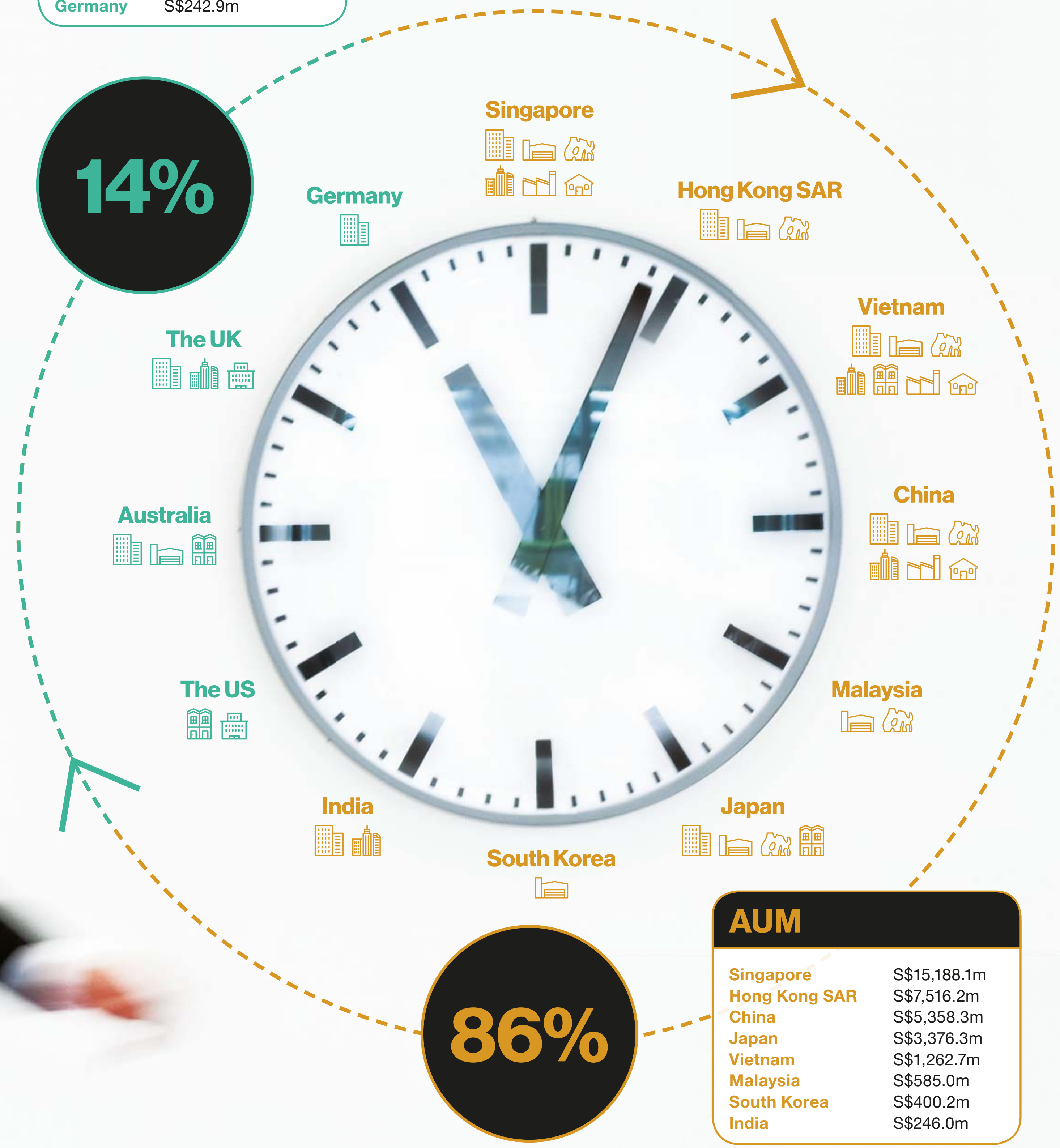
Balancing
Our Portfolio

Mapletree adopted a business strategy in 2014 to identify and invest in income-yielding assets, including new asset classes in mature growth markets beyond Asia. The strategy which also included diversifying the Group's income streams, has paid off amidst the challenging global economic climate. Through this sound approach, we have achieved a record high profitability of S$1,413.7 million for FY16/17, a 46% increase compared to FY15/16, underpinned by strong recurring earnings of S$643.6 million.

As at 31 March 2017, 14% of our assets are in non-Asia markets namely Australia, Europe and the United States, with assets under management in these markets growing from S$398.1 million to S$5.6 billion over the past three years. These assets collectively account for 14% of EBIT + SOA.

AUM

The UK	S$2,522.1m
The US	S$1,691.7m
Australia	S$1,144.8m
Germany	S$242.9m



AUM

Singapore	S$15,188.1m
Hong Kong SAR	S$7,516.2m
China	S$5,358.3m
Japan	S$3,376.3m
Vietnam	S$1,262.7m
Malaysia	S$585.0m
South Korea	S$400.2m
India	S$246.0m

- Office
- Logistics
- Retail
- Mixed-use
- Corporate housing / serviced apartment
- Industrial
- Residential
- Student accommodation

Building Sustainability

At Mapletree, we take a long-term approach to our business, and have integrated sustainable practices in our business model. We have robust systems in place to monitor the underlying risk of our business and potential conflicts of interests. As a developer, we aim to minimise the environmental impact of our properties through green architecture and energy-saving practices. We also continually engage with local communities and our tenants through our corporate social responsibility (CSR) programmes.

This year, we have published our inaugural Sustainability Report found from pages 66 to 75 which discloses key environmental, social and governance practices within the Group.

Economic Sustainability

We have in place comprehensive risk management and corporate governance practices which guide us in major investment decisions and/or assessing potential conflicts of interests.

Social Sustainability

Since 2011, we have committed S$15 million to our CSR programme to support education, healthcare and arts-related causes. As education remains the key focus of our programme, the Group has donated S$500,000 each to all the six universities in Singapore to generate bursaries and study grants for needy undergraduates. In FY16/17, we committed another S$3 million which will be disbursed over two years to fund education programmes in Singapore.

Environmental Sustainability

As a developer, we are committed to developing environmentally friendly buildings. 16 of our properties in Singapore have attained the Building and Construction Authority of Singapore's Gold award or higher. We strive to do the same overseas, where six of our properties are LEED-certified.

Enhancing Our Business Model

Mapletree's business model combines capital management with real estate development and investment capabilities to create value. During the year, we added initiatives to enhance returns from our new asset classes in student accommodation, and corporate housing / serviced apartment. To strengthen our operational expertise in the latter, Mapletree acquired Oakwood Worldwide (Oakwood), a premier global provider of corporate housing / serviced apartment solutions.

To recycle capital, our 35 student housing assets in the United Kingdom and the United States were combined to form Mapletree Global Student Accommodation Private Trust. The trust raised US$535 million (~S$746.2 million) in capital commitments, and is the first of its kind in Singapore to offer investors exposure to this resilient asset class.

Real Estate Skills

Developer

Create Value

We transform greenfield lands, underperforming assets and precincts into high-value real estate with our strong development know-how. Our award-winning developments and vibrant mixed-use projects underline our ability to unlock and enhance the inherent value of real estate.

Capital Manager

Grow third-party AUM

We employ a skilled and disciplined capital management framework to deliver consistent and high returns to our investors, demonstrated by the successful execution and performance of our four REITs and six private funds. To achieve an optimal capital structure, we continually syndicate new funds and grow third-party assets under management as part of our business model.

Investor

Capitalise on opportunities

We pursue, seize and underwrite new business opportunities across the entire real estate value chain. We incorporate our development and capital management capabilities to achieve further growth through value-added enhancing initiatives.

Corporate Overview

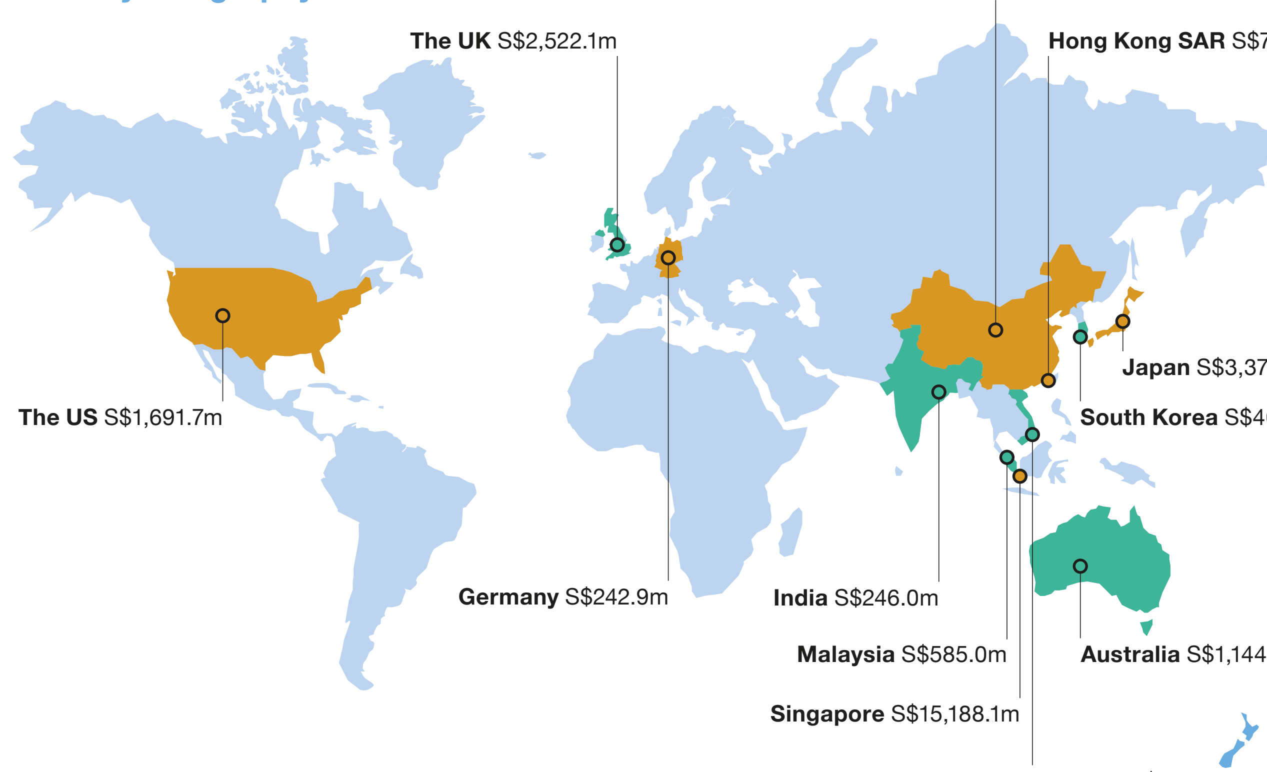
Mapletree Investments Pte Ltd (Mapletree) is a leading real estate development, investment and capital management company headquartered in Singapore. We invest in real estate sectors globally in geographical markets with good growth potential, to provide strong and stable returns to our investors.

Since 2014, Mapletree has been actively investing beyond our established core market of Asia to grow our earnings base and strengthen returns. We have been growing our portfolio of income producing assets in the mature, transparent and highly liquid markets of Australia, Germany, the United Kingdom (UK) and the United States (US). These markets now account for 14.2% of our assets under management (AUM). To deepen our expertise in student accommodation, corporate housing / serviced apartment, we have partnered with leading operators in both sectors. These partnerships enable us to strengthen the management and quality of assets and increase the overall portfolio value of each asset class.

Today, the Group has a S$39.5 billion portfolio spanning seven real estate sectors across 12 economies. They include office, retail, logistics, industrial, residential, corporate housing / serviced apartment, and student accommodation assets. These assets span across 12 economies namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. Some S$28.1 billion, or 71% of our AUM, are held under four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds. We strive to maintain an optimal capital structure that provides us with financial flexibility to pursue new investment opportunities as and when they arise.

To strengthen our corporate housing / serviced apartment business, we acquired Oakwood Worldwide (Oakwood) in February 2017. With the addition of 1,359 employees from Oakwood, as at 31 March 2017, we have over 3,000 employees operating from a network of offices.

AUM by Geography



Our Growth Platforms

Singapore Commercial

Developer/investor/manager of primarily commercial properties (and select industrial and business park properties) in Singapore

Capital Management Platform

Singapore-listed REIT:
• Mapletree Commercial Trust

Singapore Industrial

Developer/investor/manager of industrial properties in Singapore

Capital Management Platform

Singapore-listed REIT:
• Mapletree Industrial Trust

Logistics

Developer/investor/manager of logistics properties in Asia-Pacific

Capital Management Platform

Singapore-listed REIT:
• Mapletree Logistics Trust

China and India

Developer/investor/manager of properties in China and India

Capital Management Platform

Private real estate funds:
• Mapletree India China Fund
• Mapletree China Opportunity Fund II

North Asia & New Markets

Developer/investor/manager of properties in Australia, Germany, Greater China, Japan, the UK and the US

Capital Management Platform

Singapore-listed REIT:
• Mapletree Greater China Commercial Trust

Private real estate funds:
• MJOF
• MJLD
• Mapletree Global Student Accommodation Private Trust

South East Asia

Developer/investor/manager of properties in South East Asia (excluding Singapore)

Capital Management Platform

Private real estate fund:
• CIMB-Mapletree Real Estate Fund 1

Message from the Chairman

Mr Edmund Cheng

To build upon our portfolio of income-producing assets and generate strong and consistent returns for our stakeholders, Mapletree has taken further steps to invest beyond Asia in FY16/17.

Oakwood Portland Pearl District, a serviced apartment owned by Mapletree and managed by Oakwood in the US

FY16/17 Financial Performance

Financial year 2016/2017 (FY16/17) is the third year Mapletree has embarked on its second Five-Year Business Plan. Despite challenging market conditions, it has been a very fruitful year for Mapletree. Without wavering from our business and key performance indicator targets, the Group has gained ground in markets beyond Asia. Hence we have set the theme for FY16/17 annual report as "Gaining Ground".

The Group has achieved strong growth with total revenue of S$2,328.8 million and a record high PATMI[1] of S$1,413.7 million. The EBIT + SOA[2] grew by 19%, to S$1,575.1 million. The five-year average return on invested equity (ROIE[3]) was 11.2% in FY16/17 and net asset value compounded annual growth rate (NAV CAGR[4]) since 31 March 2012 was 11.8%. These results are a testament to the Group's robust business model as well as the discipline adopted in its operations and execution to achieve strong and sustainable returns.

The upswing was mainly contributed by recurring PATMI, which has increased from S$529.4 million to S$643.6 million, and the Group's expansion in the United States (US), United Kingdom (UK) and key Asian markets, namely China, Malaysia, Japan, Singapore and Vietnam.

As a real estate developer, investor and capital manager, we are focused on investing in markets and real estate sectors with good growth potential.

FY16/17 Highlights of Key Events

To build upon our portfolio of income-producing assets and generate strong and consistent returns for our stakeholders, Mapletree has taken further steps to invest beyond Asia in FY16/17.

At the beginning of the year, the Group made a strategic move to accelerate growth and strengthen its business park, corporate housing / serviced apartment, and student accommodation businesses globally by acquiring Green Park, an award-winning 7.9-hectare business park in Reading, Berkshire, UK in May 2016. We subsequently acquired a portfolio of seven student accommodation assets located across six states in the US in November. We ended the financial year by assuming full ownership of Oakwood Worldwide, a premier global provider of corporate housing / serviced apartment solutions. With these acquisitions, the Group has gained presence and a stronger foothold in the US and the UK.

In the same year, we also acquired Kumho Asiana Plaza, a prime mixed-use development comprising Grade A office, serviced apartment, a hotel and a F&B podium in District 1 of Ho Chi Minh City, Vietnam, in June. Enjoying an occupancy rate of over 90% across its office, serviced apartment and retail components, it has been the Group's largest acquisition to-date in Vietnam.

We are also committed to providing our investors with strong recurring earnings. The Group successfully closed Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) at US$535 million (~S$746.2 million) in March 2017. The first trust in Singapore to focus on this strong-yielding sector, MGSA P-Trust offers investors the opportunity to invest in the stable income-producing and resilient student accommodation sector.

1 PATMI denotes net profit (after tax and non-controlling interests) attributable to perpetual securities holders and equity holder of the Company.
2 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.
3 ROIE is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.
4 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as of 31 March 2012 as starting base.

Bursary recipients from the Singapore University of Technology and Design at an interaction session with Mapletree's management in February 2017

Here in Asia, we continued to undertake opportunities to grow our real estate portfolio. In Vietnam, the Group's first office development, Mapletree Business Centre, was officially opened by guest-of-honour, Singapore's Prime Minister Mr Lee Hsien Loong in March 2017. Since obtaining its Temporary Occupation Permit (TOP), the 17-storey office tower with Grade A specifications in District 7 has been well received by prominent multinational companies. The office building is one component in the vibrant work, live and play precinct which the Group has developed as Saigon South Place.

Alexandra precinct in Singapore completed its final phase of the master plan for rejuvenation when the development of Mapletree Business City Phase II (MBC II) received its temporary occupation permit in April 2016. Besides broadening the Group's portfolio, the 30-storey MBC II is Singapore's tallest business park. It has also earned prestigious awards for its environmentally sustainable design and development, namely the Singapore Building and Construction Authority's Green Mark Platinum Award and the U.S. Green Building Council's Precertification for LEED for Core & Shell Development Gold Level.

We continued to enlarge our footprint in Singapore with the completion of another mixed-use development, 18 Tai Seng. Comprising business 2 (B2) industrial, retail and office space, and linked directly to Tai Seng MRT station, the project received its TOP in November 2016. The retail centre commenced operations in February 2017 with a committed occupancy of 93%.

We have also strengthened our presence in China with the launch of South China Singapore City International Education Zone, a part of the mixed-use Nanhai Business City Phase 4. The official opening in January 2017 was graced by guest-of-honour, Singapore's Minister of State for Manpower, Mr Teo Ser Luck.

Community Engagement

Since the start of Mapletree's Corporate Social Responsibility (CSR) policy in 2011, the Group have continued to make a difference in the lives of individuals by supporting their education and healthcare needs. We also seek to benefit communities through adopting environmental sustainability practices and our support for the arts. As a key part of our commitment, we have set a goal to allocate S$2 million to CSR initiatives when Group PATMI exceeds S$300 million in a particular financial year, a target we met in FY16/17.

To date, the Group has committed over S$3 million to support financially needy students studying in all six Singapore universities. As a home-grown company, we see our commitment to tertiary education also as helping to build a strong pipeline of talents for the future growth of our business.

The Group has also contributed S$3 million to the endowment programmes of the six Singapore universities to establish the Mapletree Bursary and to sponsor book prizes for Bursary recipients who have done well academically. In addition, more than $98,000 was disbursed to fund book prizes at the five local polytechnics and SIM Global Education.

Besides our support for education, we also held the inaugural Mapletree Futsal Challenge at Mapletree Business City (MBC) futsal courts in March 2017. It is a joint community engagement initiative between Mapletree and its tenants, which saw teams from Mapletree, MBC I and II tenants, and youth teams from Boys' Town and Beyond Social Services competing for the Champion Cup.

Another area of focus for our CSR programme is at-risk youths. In 2015, we initiated the Mapletree Youth Resilience Programme (MYRP) which provides financial support to youths who are determined to continue studying despite their challenging socio-economic circumstances. We are happy to report that the five youths we are supporting are progressing well in their studies, and two have been accepted into polytechnic.

As the Group has performed well, with revenue increasing year-on-year, we hope to strengthen our CSR programmes and extend more support to communities.

A match in action at the Mapletree Futsal Challenge held at the Mapletree Business City futsal courts

Driving Employee Engagement

In the recent years, our employee strength has grown from 1,368 in FY12/13 to over 3,000 presently. To encourage employees engagement in various geographies to engage with their communities, each country office has organised CSR activities aimed at gathering those with common interests to give back to the community.

Staff-led CSR initiatives in Singapore include conducting reading sessions for students of PAP Community Foundation preschools in the vicinity of our corporate headquarters at MBC, as well as charity bazaars organised at Mapletree properties - VivoCity and MBC I and working together with industrial tenants to fulfil the wishes of adopted beneficiaries.

The Group also provides seed funding of S$5,000 per project for up to five staff-led initiatives annually under the Mapletree Staff CSR Programme. The result has been positive, with China and India initiating their own CSR activities and rallying employees to participate.

Two years ago, we launched the Mapletree Academic Achievement Programme to sponsor diploma graduation book prizes under our CSR Programme. We have since extended it to our employees' children under the Mapletree Education Award (EduAward). The first batch of 41 awards was given out in March 2017, and it was gratifying to see our employees, their children and even the grandparents at the ceremony.

Recipients of the first batch of Mapletree Education Awards which were given out in March 2017

Introduction to Sustainability Report

Given our focus on driving sustainability in Mapletree's business operations, we are including our first Sustainability Report in this Annual Report. The Sustainability Report will outline the activities we have undertaken to meet the requirements of the Singapore Exchange Reporting Guide.

Employees bringing elders out for an afternoon activity at Shanghai's Xintiandi district

Acknowledgements

On behalf of the Board, I would like to acknowledge the efforts of Group CEO, Mr Hiew Yoon Khong, and the Management in leading Mapletree to greater heights every year. The Group has achieved this record performance because of their commitment and the dedication of all Mapletree staff, including our new additions from Australia, the US and the UK.

I would also like to thank fellow Board members for their invaluable counsel and guidance to the Management team over the years. In addition, I would also like to take this opportunity to welcome Mr Cheah Kim Teck who joined the Board in March 2017. He was formerly an Independent Director and a member of the Audit and Risk Committee of Mapletree Logistics Trust Management Ltd.

In the year ahead, we at Mapletree look forward to building an even more sustainable business and gaining ground globally.

Edmund Cheng
Chairman

Interview with the Group CEO

Mr Hiew Yoon Khong

1. FY16/17 is the third year of Mapletree's five-year business plan. How has Mapletree performed, and what were some of the highlights?

It has been a rewarding year with the Group's PATMI[1] hitting a high of S$1,413.7 million, a 46% increase as compared to the previous year. Backed by strong recurring earnings, this year's PATMI is the highest ever achieved since Mapletree's establishment in 2000. This attests to the long-term viability of our business model, and the effectively integrated roles we play as a real estate developer, investor and capital manager to deliver strong and sustainable returns. In particular, we achieved recurring earnings of S$643.6 million, an increase of 22% compared to FY15/16. Overall, we are on track to meet our second Five-Year Business Plan KPI Targets.

Heading into the third year of the five-year plan, the Group's return on equity (ROE[2]) continues to remain strong at 12.8% for FY16/17. This means that our average ROE[2] for these past three years is 11.1%, which is within our target of 10% to 15%.

2. Evidently Mapletree's business is healthy, and the Group has taken steps to expand further beyond Asia in FY16/17. What is the reason for steering in that direction, and what has Mapletree done to grow its presence in these markets?

While Asia is our core market and has presented the Group with opportunities for growth, the economic slowdown in this region has inevitably posed challenges to our growth in recent years.

Key Performance Indicators (KPIs)	FY16/17	Target by FY18/19
Returns		
Five-year NAV CAGR[3] (from FY12/13)	11.8%	**10% - 15%**
Average five-year ROIE[4] (from FY12/13)	11.2%	**10% - 15%**
Earnings		
EBIT + SOA[5]	S$1,575.1 million	**S$1.6 billion - S$2.3 billion**
Fee Income[6]	S$277.4 million (FY14/15 to FY16/17 cumulative: S$785.1 million)	**S$350 million - S$500 million (Five-year cumulative: >S$1.5 billion)**
Scale		
Assets Under Management (AUM)	S$39.5 billion	**S$40 billion - S$50 billion**
AUM ratio (managed vs owned assets)	2.5:1	**>3:1**

We have evaluated the market comprehensively and made a strategic decision to expand into developed economies like Australia, the United States (US), the United Kingdom (UK) and Germany three years ago. These countries present attractive investment opportunities for us with their vibrant and mature real estate landscape, and we believe that student accommodation, corporate housing / serviced apartment, office and business park, and logistics are real estate asset classes that are scalable segments which offer resilient yields in these markets.

With that in mind, we ventured into the student accommodation asset class in 2016, by acquiring two portfolios in the UK and the US. Both countries are home to the largest number of top universities in the world, and with the relatively anti-cyclical nature of student accommodation, we were able to grow new income streams and attain higher revenue of S$2,328.8 million in FY16/17. This is a 24% increase from a year ago.

Combining these two portfolios and adding another portfolio of similar properties in the US, we successfully syndicated the Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) and raised equity of US$535 million (~S$746.2 million) in March 2017. It is the first private trust in Singapore that offers investors the opportunity to invest in an attractive and resilient income-yielding student accommodation portfolio of 35 assets, located across 22 cities in the UK and the US. The strong demand by investors for MGSA P-Trust validates our investment thesis for this alternative real estate asset class and the confidence investors have in Mapletree's track record of delivering the desired returns.

Rockingham House in Sheffield, one of the UK student accommodation properties under MGSA P-Trust

1 PATMI denotes net profit (after tax and non-controlling interests) attributable to perpetual securities holders and equity holder of the Company.
2 ROE denotes return on equity and is computed based on PATMI attributable to equity holders of the Company over shareholder's funds.
3 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as at 31 March 2012 as starting base.
4 ROIE denotes return on invested equity and is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.
5 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.
6 Including REIT management fees.

Mapletree Business City II was completed in April 2016, and features a 30-storey business park building and recreational facilities such as futsal and basketball courts

In February 2017, we also acquired Oakwood Worldwide (Oakwood), a premier global provider of corporate housing / serviced apartment solutions. The acquisition comes after a three-year partnership and includes all of Oakwood's global operations which manages over 14,000 units worldwide. It strengthens and supports the growth momentum of Mapletree's corporate housing / serviced apartment business globally. As at 31 March 2017, Mapletree owns nine corporate housing / serviced apartment properties in the US and one corporate housing / serviced apartment property in Australia. In addition to these, Mapletree has two corporate housing /serviced apartment properties in Japan and one more in Vietnam under development.

In the business park space, we acquired Green Park, a 79-hectare (ha) award-winning business park in Reading, UK, in May 2016. The acquisition was part of our current five-year business plan to acquire quality, income-producing assets with long weighted average leases to expiry, which are anchored by a strong tenant base for stable and growing yields.

3. With several acquisitions in FY16/17 in the US and UK, has Asia taken a back seat?

Although our AUM in New Markets – Australia, Europe and the US – grew from S$398.1 million to S$5.6 billion over the last three years, and currently account for 14% of our total AUM, Asia remains central to our business. Of the six private funds we manage, five are focused on investing in this region. In addition, 82% of the Group's revenue is generated from Asia-based assets.

Our two private funds in Japan – MJOF, a Japan-focused office fund, and MJLD, a Japan-focused logistics development fund – have been active in sourcing and investing in new projects. During the year, MJLD committed to four logistics projects at a development cost of JPY59.2 billion (~S$0.7 billion), bringing the total number of assets under MJLD to 11.

In addition, we have started construction of a nine-storey big-box retail property with a net lettable area (NLA) of about 20,000 square metres (sqm) in Namba, Osaka. Upon completion in 2019, it will be leased to one of Japan's largest electronic retailers.

In June 2016, Mapletree made its largest investment in Vietnam by acquiring Kumho Asiana Plaza, located at the heart of the central business district, District 1 of Ho Chi Minh City. It is one of the largest mixed-use properties and comprises Grade A offices, quality serviced apartments and a hotel managed by InterContinental Hotels Group. This income-yielding investment is part of the Group's overall strategy to further grow its sustainable earnings.

In China, we officially opened Mapletree's South China Singapore City International Education Zone, part of Nanhai Business City Phase 4, in January 2017. Nanhai Business City is a 42-ha mixed-use development which features retail, residential, hotel and office components. Also in China, we have invested in 34 logistics projects, with more than 80% of total gross floor area located in Tier 1 and 2 cities.

In Singapore, 18 Tai Seng, a nine-storey mixed-use development comprising business 2 (B2) industrial, retail and office space obtained its Temporary Occupancy Permit (TOP) in November 2016 and opened the retail space in February 2017.

Earlier in April 2016, Mapletree Business City II (MBC II) was completed. At 30 storeys, this is Singapore's tallest business park building and the final phase of the master plan to rejuvenate the 13.5-ha Alexandra Precinct.

4. As an investor and capital manager, how does Mapletree manage to continuously grow its recurring income and sustain returns in Asia and beyond?

As a capital manager, we seek to syndicate and grow our third-party AUM (such as our managed REITs and private funds) to create a stable earnings base. This has delivered results, with considerable value generated to the Group's shareholder's funds over the years. Shareholder's funds grew to S$11.2 billion in FY16/17, a 13% increase from S$9.9 billion the year before. In addition, the Group achieved a return on invested equity (ROIE[4]) of 18.7% this year, bringing the average five-year ROIE[4] to 11.2%.

As a capital manager, we actively look to bring to the market quality and relevant investment products, whilst creating value for existing investors. As a Sponsor, we offer our four REITs suitable, stable and income-producing assets for acquisition, thus ensuring that they have a steady pipeline of assets for their investment needs.

In August 2016, Mapletree Commercial Trust (MCT) acquired Mapletree Business City I (MBC I) for S$1.78 billion. Completed in 2010, MBC I has a strong and diverse tenant base consisting of reputable multinational corporations and enjoys a high occupancy of 99%. The equity fundraising exercise to fund the acquisition was very successful with S$1.04 billion raised, and was accorded the Best Follow-On Offering/Accelerated Bookbuild at the GlobalCapital Asia Regional Capital Markets Awards 2016.

During the year, we also successfully syndicated MGSA P-Trust. This was executed on a private platform to bring the product to market quickly. It was more cost effective to set up and operate on an ongoing basis without the lengthy process to launch an initial public offering and the increasing compliance costs to maintain a REIT. Divesting suitable assets to our listed and private funds reduces the weight on our balance sheet and frees up capital for the Group to pursue new growth opportunities. To ensure a clear alignment of interests with investors, we maintain at least a 25% stake in all the funds we manage.

Over time, we plan to scale up our student accommodation portfolio, and create a series of private trusts focused on this strong, resilient asset class. Once our next student accommodation portfolio achieves its target of US$1.5 to US$2.0 billion (~S$2.1 to S$2.8 billion), we will syndicate another private trust. We are evaluating potential acquisitions in the US and UK, and prospecting in markets like Australia, Germany, the Netherlands and Spain, where the tertiary education sector is growing.

4 ROIE denotes return on invested equity and is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.

An artist impression of Mapletree Kobe Logistics Centre, Japan, one of the four logistics projects committed by MJLD in FY16/17

Board of Directors

Mapletree adopts the principle that an effective Board of Directors is one constituted with the right core competencies and diversity of experiences for the growth and success of the Group. The collective wisdom of the Board provides strategic guidance and diverse insights to support the Management.

From left to right (seated):
David Christopher Ryan
Paul Ma Kah Woh
Hiew Yoon Khong
Edmund Cheng
Lee Chong Kwee
Elaine Teo

From left to right (standing):
Cheah Kim Teck
Wong Meng Meng
Tsang Yam Pui
Samuel N. Tsien

Board of Directors

Edmund Cheng, 64
Chairman

Mr Edmund Cheng is the Chairman of the Board of Directors of Mapletree Investments Pte Ltd (MIPL). He is also the Chairman of its Executive Resource and Compensation Committee, and Investment Committee.

Mr Cheng is concurrently the Deputy Chairman of Wing Tai Holdings Limited, Executive Director of Wing Tai Malaysia Berhad (a company listed on Bursa Malaysia), and Deputy Chairman of Civil Aviation Authority of Singapore.

Apart from his wealth of experience as a property developer, Mr Cheng is actively involved in the public and private sectors. From 2005 to 2013, he was Chairman of the National Arts Council and was involved in national efforts to promote and develop an arts landscape. Mr Cheng previously served as Chairman of The Esplanade Co. Ltd (2003 – 2005), as well as Founding Chairman of The Old Parliament House Limited (2002 – 2006), Design Singapore Council (2003 – 2008) and Chairman of the Singapore Tourism Board (1993 – 2001). He was a member on the Board of Trustees of Nanyang Technological University (2007 – 2012). He was also the Chairman of SATS Ltd (2003 – 2016) and has also served on the Board of Singapore Airlines Limited (1996 – 2004). In addition, Mr Cheng was a past President of the Real Estate Developers' Association of Singapore (REDAS) and remains a member of its Presidential Council.

Mr Cheng was awarded the Meritorious Service Medal in 2015, the Public Service Star (BAR) in 2010 and the Public Service Star (BBM) in 1999 by the President of the Republic of Singapore for his significant contributions. He also received the Outstanding Contribution to Tourism Award from the Singapore Government in 2002. In 2009, he was conferred "Officier de l'Ordre des Arts et des Lettres" by the Government of the Republic of France.

Lee Chong Kwee, 60
Director

Mr Lee Chong Kwee is a member of the MIPL Board and the Chairman of its Audit and Risk Committee as well as its Transaction Review Committee.

He is also the Non-Executive Chairman of Mapletree Logistics Trust Management Ltd (as manager of Mapletree Logistics Trust) and a Corporate Advisor to Temasek Holdings. Mr Lee was previously Non-Executive Chairman of Jurong Port Pte Ltd and also served on the Advisory Boards of the National University of Singapore Business School and The Logistics Institute – Asia Pacific.

Mr Lee was formerly the Asia Pacific Chief Executive Officer of Exel (Singapore) Pte Ltd and is a fellow of the Singapore Institute of Directors.

Paul Ma Kah Woh, 69
Director

Mr Paul Ma Kah Woh is a member of the MIPL Board and a member of its Audit and Risk Committee, Executive Resource and Compensation Committee and Investment Committee. He is also the Non-Executive Chairman of Mapletree Greater China Commercial Trust Management Ltd, the manager of Mapletree Greater China Commercial Trust.

Concurrently, Mr Ma is a Director of StarHub Ltd and PACC Offshore Services Holdings Ltd (both companies listed on the Main Board of the Singapore Exchange). In addition, Mr Ma is a member of the National Heritage Board where he also chairs their Audit Committee.

Mr Ma is a fellow of the Institute of Chartered Accountants in England and Wales as well as a member of the Institute of Singapore Chartered Accountants.

Tsang Yam Pui, 70
Director

Mr Tsang Yam Pui is a member of the MIPL Board and a member of its Audit and Risk Committee. He is also the Non-Executive Chairman of Mapletree Commercial Trust Management Ltd (as manager of Mapletree Commercial Trust). Mr Tsang is concurrently the Chief Executive Officer and Executive Director of NWS Holdings Limited, a leading infrastructure and services company listed on the Hong Kong Stock Exchange since 2003. He is also the Vice Chairman and Director of New World First Bus Services Limited, New World First Bus Services (China) Limited, New World First Ferry Services Limited and Citybus Limited. In addition, Mr Tsang is a Director of GHK Hospital Limited and a Non-Executive Director of Wai Kee Holdings Ltd based in Hong Kong SAR. He is also an Alternate Director of Goshawk Aviation Limited and a Director of Bauhinia Aviation Capital Limited based in the Republic of Ireland.

Prior to Mr Tsang's appointment with NWS Holdings Limited, he served in the Hong Kong Police Force for 38 years where he held many key appointments before retiring as its Commissioner in 2003.

For his distinguished public service, Mr Tsang was awarded the Gold Bauhinia Star (Hong Kong SAR), the Order of the British Empire, the Queen's Police Medal and the Colonial Police Medal for Meritorious Service.

Wong Meng Meng, 68
Director

Mr Wong Meng Meng, Senior Counsel, is a member of the MIPL Board, a member of its Audit and Risk Committee and a member of its Transaction Review Committee. Mr Wong is also the Non-Executive Chairman of Mapletree Industrial Trust Management Ltd (as manager of Mapletree Industrial Trust) and Chairman of Energy Market Company Pte Ltd. Mr Wong is concurrently a Director of NIE International Private Limited.

Mr Wong is the Founder-Consultant of WongPartnership LLP, a leading law firm in Singapore. He is a member of the Competition Appeal Board, Singapore and a member of the Advisory Board of the Faculty of Law, National University of Singapore. He was also the President of the Law Society of Singapore from 2010 to 2012.

David Christopher Ryan, 47
Director

Mr David Christopher Ryan is a member of the MIPL Board and a member of its Investment Committee. Mr Ryan serves on the board of directors for the Jackson Institute for Global Affairs at Yale University and is also a Non-Executive Director of ADT Security Services Corporation.

Mr Ryan was the immediate past President of Goldman Sachs Asia (ex Japan) from 2010 to 2013, where he served on the firm's Management Committee. Mr Ryan joined Goldman Sachs in 1992, and spent nine years in Asia before returning to the US in end 2013.

He was made partner of Goldman Sachs in 2004 at age 34. In addition to his role on the MIPL Board, Mr Ryan remains a Senior Director of Goldman Sachs & Co. and serves as a Corporate Advisor to Temasek Holdings.

Samuel N. Tsien, 62
Director

Mr Samuel N. Tsien is a member of the MIPL Board.

Mr Tsien is the Group Chief Executive Officer and Executive Director of Oversea-Chinese Banking Corporation Limited (OCBC). He is also Chairman of OCBC Wing Hang Bank (China) Limited and a member of the board of directors of various other companies in the OCBC group. Prior to these appointments, he was the Senior Executive Vice President and Global Head, Global Corporate Bank of OCBC. He is a Council member of the Association of Banks in Singapore and a member of the Monetary Authority of Singapore's Financial Centre Advisory Panel (FCAP).

Prior to joining OCBC, Mr Tsien was President and Chief Executive Officer of Bank of America (Asia) from 1995 to 2006, and President and Chief Executive Officer of China Construction Bank (Asia) Corporation Ltd in 2007. He had concurrently served as Executive Vice President and as Asia Commercial and Consumer Banking Group Executive of Bank of America Corporation.

Mr Tsien has held other senior management positions in corporate banking, retail banking and risk management at Bank of America in Hong Kong SAR and San Francisco.

Elaine Teo, 50
Director

Ms Elaine Teo is a member of the MIPL Board.

She is currently a Non-Executive and Independent Director of Olam International Limited. Ms Teo has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. She was formerly the Chairman of Capital International Research Group and Managing Director of Capital International Inc., Asia. Ms Teo was also a Senior Advisor and Partner at the Holdingham Group Ltd.

Ms Teo also serves on the board of Caregivers Alliance Ltd, a non-profit organisation focused on training and support of caregivers to persons with mental illness in Singapore. In addition, she is a member of the International Development Group of the Jesuit Refugee Service.

Ms Teo holds a Bachelor of Arts (Honours) degree in Experimental Psychology from Oxford University.

Cheah Kim Teck, 65
Director

Mr Cheah Kim Teck is a member of the MIPL Board and was formerly an Independent Director and a member of the Audit and Risk Committee of Mapletree Logistics Trust Management Ltd. Mr Cheah is currently the Managing Director, Business Development of Jardine Cycle & Carriage Limited (JC&C), and is responsible for overseeing JC&C's investment in Truong Hai Auto Corporation and developing new lines of business in the region. Mr Cheah is also a Director of Singapore Pools (Private) Limited.

He was formerly the CEO for JC&C's motor operations (excluding those held by PT Astra International Tbk) until he stepped down from his position in December 2013. He also served on JC&C's Board from 2005 to 2014. Prior to joining JC&C, Mr Cheah held several senior marketing positions in multinational companies, namely McDonald's Restaurants, Kentucky Fried Chicken and Coca-Cola.

Mr Cheah holds a Master of Marketing degree from the University of Lancaster, United Kingdom.

Hiew Yoon Khong, 55
Director and Group Chief Executive Officer

Mr Hiew Yoon Khong is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd, and Mapletree Greater China Commercial Trust Management Ltd.

Mr Hiew joined Mapletree in 2003 as Group Chief Executive Officer. He has since led the Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of more than S$39 billion.

From 2003 to 2011, Mr Hiew was concurrently Senior Managing Director (Special Projects) of Temasek Holdings. His past directorships include serving as a member on the Board of Trustees of the National University of Singapore.

Mr Hiew holds a Master of Arts degree in Economics from the University of Warwick, and a Bachelor of Arts degree in Economics from the University of Portsmouth.

Group Senior Management

Hiew Yoon Khong, 55

Director and Group Chief Executive Officer

Mr Hiew is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd, and Mapletree Greater China Commercial Trust Management Ltd.

Mr Hiew joined Mapletree in 2003 as Group Chief Executive Officer. He has since led the Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of more than S$39 billion.

From 2003 to 2011, Mr Hiew was concurrently Senior Managing Director (Special Projects) of Temasek Holdings. His past directorships include serving as a member on the Board of Trustees of the National University of Singapore.

Mr Hiew holds a Master of Arts degree in Economics from the University of Warwick, and a Bachelor of Arts degree in Economics from the University of Portsmouth.

Chua Tiow Chye, 58

Deputy Group Chief Executive Officer

Mr Chua, as Deputy Group Chief Executive Officer, focuses on driving the Group's strategy initiatives including expanding and directing the Mapletree Group's international real estate investments and developments. He also directly oversees the Group's non-REIT business in North Asia and Australia, and in the corporate housing / serviced apartment sector. Previously, Mr Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets.

Mr Chua concurrently serves as a Non-Executive Director of Mapletree Logistics Trust Management Ltd (MLTM) and Mapletree Greater China Commercial Trust Management Ltd. He was also previously the Chief Executive Officer of MLTM.

Prior to joining Mapletree in 2002, Mr Chua held senior positions with various companies including Vision Century Corporation Ltd, Ascendas Pte Ltd, Singapore Food Industries Pte Ltd and United Overseas Bank Ltd.

Wong Mun Hoong, 51

Group Chief Financial Officer

Mr Wong oversees the Finance, Tax, Treasury, Private Funds Management, Risk Management, and Information Systems & Technology functions of the Mapletree Group.

He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and CapitaLand Township Development Fund.

Prior to joining Mapletree in 2006, Mr Wong had over 14 years of investment banking experience in Asia, of which the last 10 years were with Merrill Lynch & Co.

Amy Ng Lee Hoon, 50

Regional Chief Executive Officer, Group Retail and Singapore Commercial

Ms Ng, as Regional Chief Executive Officer, Group Retail and Singapore Commercial, oversees Mapletree's retail business and the Singapore Commercial portfolio. She has direct responsibility over the Group's non-REIT retail assets and operations in Singapore, China, Malaysia and Vietnam, where she provides executive management and leadership.

Ms Ng joined Mapletree in 2010 as the Chief Executive Officer of Singapore Investments. She was appointed the Chief Executive Officer and Executive Director of Mapletree Commercial Trust Management Ltd from 2011 to July 2015, and was responsible for the IPO of Mapletree Commercial Trust in April 2011. Prior to joining Mapletree, Ms Ng held various appointments in the CapitaLand group of companies.

Quek Kwang Meng, 51

Regional Chief Executive Officer, India

Mr Quek, as Regional Chief Executive Officer of India, heads Mapletree's business and investments in India. He has direct responsibility over the Group's assets in this market. Before his current appointment in June 2016, Mr Quek was also overseeing the Group's non-REIT activities in the China market.

Prior to joining Mapletree, Mr Quek was the Global Co-head/Managing Director for real estate investments in Citi Private Bank.

Wendy Koh Mui Ai, 45

Regional Chief Executive Officer, South East Asia

Ms Koh heads Mapletree's business in South East Asia. She has direct responsibility over the Group's non-REIT assets in this region.

Prior to this, she was overseeing strategy, planning and research for Mapletree as Head, Strategy and Research. In that capacity, she provided investment analysis and evaluation of opportunities in new markets. She was also previously engaged by Mapletree as an advisor to review the Group's strategy implementation from FY09/10 to FY13/14, and was involved in the formulation of Mapletree's new five-year strategic plan.

Prior to joining Mapletree, Ms Koh was Co-head, Asia Pacific Property Research, at Citi Investment Research. With almost 20 years of experience as a real estate equities analyst, she was involved in many IPOs and capital raising deals including for Mapletree Logistics Trust, Mapletree Industrial Trust and Mapletree Commercial Trust.

Goh Chye Boon, 47

Regional Chief Executive Officer, China

Mr Goh, as Regional Chief Executive Officer of China, oversees the whole of Mapletree's China business. He has direct responsibility over the Group's non-REIT business in China market, driving investments and operations for the region's business platform. Prior to this appointment, Mr Goh was the Chief Executive Officer (CEO), Logistics Development, China, where he doubled the Group's investment portfolio beyond Central and Western China to Northern and Southern China.

Prior to joining Mapletree, Mr Goh was the Executive Vice President, Resort Operations at Resorts World at Sentosa Pte Ltd. His 24 years of wide-ranging work experience included stints at the Ministry of Finance, Monetary Authority of Singapore and Ministry of Trade & Industry. In addition, he was the former CEO of Sino-Singapore Tianjin Eco-City Investment & Development Co. Ltd and also previously headed the China Business Partnership Unit of the Government of Singapore Investment Corporation Pte Ltd.

Michael Smith, 48

Regional Chief Executive Officer, Europe and USA

Mr Smith, as Regional Chief Executive Officer of Europe and the US, is responsible for new and existing businesses in Europe and the US (excluding Oakwood Worldwide).

Prior to joining Mapletree, Mr Smith was a partner at Goldman Sachs, heading the South East Asia investment banking business as well as the bank's Asia Pacific (ex Japan) real estate business. As one of the pioneers of the Asian REIT industry, Mr Smith has been involved in numerous IPOs, including the IPOs of all four Mapletree REITs.

He was also involved in various significant Mapletree transactions including the acquisition of Festival Walk in Hong Kong SAR, Gateway Plaza in Beijing, as well as in the collaboration with Oakwood Worldwide in 2014.

Mr Smith has over 25 years of experience and prior to Goldman Sachs, he was the head of Asia (ex Japan) Real Estate Investment Banking of UBS from 2000 to 2006.

Ng Kiat, 47

Chief Executive Officer, Mapletree Logistics Trust Management Ltd

Ms Ng is the Chief Executive Officer and an Executive Director of Mapletree Logistics Trust Management Ltd. Prior to this appointment in July 2012, Ms Ng was Mapletree's Chief Investment Officer, South East Asia, where she was responsible for managing the acquisitions, development and operations of Mapletree's investment portfolio in the region. She was also previously Mapletree's Chief Executive Officer, Vietnam.

Prior to joining Mapletree in 2007, Ms Ng was with Temasek Holdings for five years, managing private equity fund investments. Preceding that, Ms Ng was Vice President at the CapitaLand group of companies, where she was responsible for real estate investments and cross-border mergers and acquisitions activities in South East Asia and Europe.

Tham Kuo Wei, 48

Chief Executive Officer, Mapletree Industrial Trust Management Ltd

Mr Tham is the Chief Executive Officer and an Executive Director of Mapletree Industrial Trust Management Ltd. He was previously the Deputy Chief Executive Officer and Chief Investment Officer of Mapletree's Industrial business unit. In that capacity, he was responsible for structuring, establishing and managing real estate investment platforms in Singapore and the region.

Mr Tham joined Mapletree in 2002 and has since held various positions with the Group. Prior to joining Mapletree, he was in various engineering and logistics management roles with PSA Corporation.

Sharon Lim Hwee Li, 44

Chief Executive Officer, Mapletree Commercial Trust Management Ltd

Ms Lim is the Chief Executive Officer and an Executive Director of Mapletree Commercial Trust Management Ltd (MCTM). She joined Mapletree in January 2015 as the Chief Operating Officer of MCTM.

Prior to joining Mapletree, Ms Lim was CapitaMalls Asia's Country Head for Malaysia since 2008 and was appointed as the Chief Executive Officer and Executive Director of CapitaMalls Malaysia Trust, listed on Bursa Malaysia in 2010.

Cindy Chow Pei Pei, 47

Chief Executive Officer, Mapletree Greater China Commercial Trust Management Ltd

Ms Chow is the Chief Executive Officer and an Executive Director of Mapletree Greater China Commercial Trust Management Ltd. She was previously the Chief Executive Officer, India, where she was instrumental in establishing Mapletree's investments in the country.

Ms Chow joined Mapletree in 2002 as a Business Development Manager. She later became the Senior Vice President and Head of Investment for Mapletree Logistics Trust Management Ltd. In that capacity, she was responsible for sourcing, identifying and evaluating potential acquisitions in the region, as well as recommending and analysing potential asset enhancement initiatives, with a view to enhance Mapletree Logistics Trust's portfolio.

Wan Kwong Weng, 45

Head, Group Corporate Services and Group General Counsel

Mr Wan is the Joint Company Secretary of MIPL. He is concurrently Head, Group Corporate Services and Group General Counsel of MIPL, where he is responsible for all of administration, corporate communications, human resource as well as take charge of legal, compliance and corporate secretarial matters.

Prior to joining MIPL in 2009, Mr Wan was Group General Counsel – Asia at Infineon Technologies for seven years, where he was a key member of its Asia Pacific management team. He started his career as a litigation lawyer with one of the oldest law firms in Singapore, Wee Swee Teow & Co., and was subsequently with the Corporate & Commercial/Private Equity practice group of Baker & Mackenzie in Singapore and Sydney.

Mr Wan has an LL.B. (Honours) (Newcastle upon Tyne), where he was conferred the Wise Speke Prize, as well as an LL.M. (Merit) (London). He also attended the London Business School Senior Executive Programme. He is called to the Singapore Bar, where he was conferred the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). He was conferred the Public Service Medal (P.B.M.) in 2012 for his contributions to community service.

Tan Wee Seng, 51

Head, Group Development Management

Mr Tan heads up Group Development Management where he oversees the execution of all development projects, including asset enhancement initiatives undertaken within the Mapletree Group across all business units and countries.

Prior to joining Mapletree in 2012, he spent 18 years with Lendlease Group in various senior positions. Mr Tan has over 25 years of design, project/construction management experience in the industrial, logistics, pharmaceutical, telecommunications, institutional, retail and commercial sectors across different geographies.

Highlights of the Year

Green Park, Reading, the UK

Mapletree Business City II, Singapore

April 2016

Mapletree completed the construction of Mapletree Business City II (MBC II), the final phase of the master plan for rejuvenation of the 13.5-hectare (ha) Alexandra Precinct. MBC II features Singapore's tallest high-rise business park building at 30 storeys, which terraces down to eight-, six- and five-storey blocks, offering over 1.1 million square feet (sq ft) of premium net lettable space with Grade A office specifications.

May 2016

Mapletree acquired Green Park, a 79-ha award-winning business park in Reading, United Kingdom (UK). A comprehensively-planned business park within a well-landscaped campus setting, the freehold property boasted occupancy of 91.5% at acquisition, increasing to 93% as at March 2017 due to active management. The current 19 Grade A buildings have a net lettable area (NLA) of 1.4 million sq ft with land available for a further development potential of 880,000 sq ft.

Mapletree started the construction of Mapletree Logistics Hub – Shah Alam in Malaysia. The three blocks of two-storey ramp-up multi-tenanted logistics and warehousing facilities will span a gross floor area (GFA) of approximately 213,130 square metres (sqm) when completed.

June 2016

Mapletree commenced development of Saigon South Place Phase 3 – an Oakwood-branded serviced apartment and a high-rise residential block, RichLane Residences – in the affluent District 7 of Ho Chi Minh City (HCMC), Vietnam. The two towers are expected to be completed by end-2017 and Oakwood Residence Saigon to start operations in early 2018.

Saigon South Place, Ho Chi Minh City, Vietnam

Also in District 1 of HCMC, Mapletree acquired Kumho Asiana Plaza, a prime mixed-use asset with GFA of 146,000 sqm. The property enjoys high occupancy rates of over 90% across its multiple components, comprising a 21-storey Grade A office building, 32-storey serviced apartment tower, 21-storey hotel, and a retail podium.

In Singapore, Mr Hiew Yoon Khong, Group Chief Executive Officer of Mapletree and Board Member of M+S Pte Ltd, officiated the topping-out ceremony of Marina One. Mapletree is the project manager for the integrated development which is on track for completion in 2017.

Private fund MJLD completed the construction of I Missions Park Sakai, a multi-tenanted distribution facility with ancillary office at Japan's Sakai port area. It is part of a joint venture with ITOCHU Corporation and has a GFA of 124,939 sqm.

July 2016

Mapletree signed an agreement with Best Logistics, a leading logistics player in China, to develop a build-to-suit (BTS) facility at Mapletree Jiaxing Logistics Park. The property comprises two blocks of high quality, single-storey warehouses with ancillary offices. It spans a GFA of 35,735 sqm with complete amenities to support the freight distribution businesses in the vicinity.

Mapletree Hangzhou Xiaoshan Logistics Park secured a lease with the logistics arm of Alibaba Group, which committed 51,368 sqm of the overall NLA of approximately 109,000 sqm to further improve its distribution network in Zhejiang province. The logistics park was completed in 2016, and comprises three blocks of double-storey ramp-up warehouses equipped with mezzanine offices.

Viva Costa, the residential component of Mapletree Ningbo Mixed-Use Development in China, received approximately 700 visitors on the first day of its marketing launch. A total of 311 units were launched and nearly 90% were sold within two months.

Mapletree earned the Patron of the Arts Award from Singapore's National Arts Council for the second time. The award celebrates and recognises organisations and individuals who have contributed significantly towards the development of the arts.

August 2016

In conjunction with SC VivoCity's first anniversary, the mall donated VND500 million (~S$30,650) to Operation Smile Vietnam to support the medical needs of 100 underprivileged children with congenital harelip and cleft palate.

In Singapore, Mapletree completed the divestment of the office and business park components of Mapletree Business City I (MBC I) to Mapletree Commercial Trust (MCT) for S$1.78 billion. With an NLA of over 1.7 million sq ft, MBC I has enjoyed strong demand from a strong and diverse tenant base consisting of reputable multinational corporations since its completion in 2010. To finance the acquisition, MCT launched an equity fundraising exercise in July 2016. Strong support was garnered from existing and new investors with the overnight private placement over 3.8 times covered and preferential offering over 1.5 times covered, raising a total of S$1.04 billion.

Mapletree Logistics Trust (MLT) acquired four dry warehouse facilities in Sydney, Australia, for A$85 million (~S$87.4 million). Located approximately 30 kilometres from the central business district, they are fully leased to established local industry players with a weighted average lease expiry of 5.5 years with fixed annual escalations.

September 2016

MJLD celebrated the groundbreaking of Mapletree Chiba New Town Logistics Centre. A multi-storey distribution facility in Chiba Prefecture, Japan, which is expected to be completed in late 2017.

Mapletree was ranked sixth in the 2016 APAC Fund Manager Guide and second among Asia-based fund managers by PERE Magazine. This ranking was based on capital raised by Asia-Pacific focused private real estate investment vehicles between January 2011 and March 2016.

Mapletree was named the Best Overall Industrial/Warehouse Developer in Singapore at the Euromoney Real Estate Awards. The awards are based on the results of an annual survey of real estate developers, advisors, financial institutions, investors and corporate end-users worldwide. Mapletree won a similar award for the Vietnam market in 2015.

Mapletree Business City I, Singapore

Build-to-suit facility for Hewlett-Packard, Singapore

Mapletree completed the divestment of Mapletree Shah Alam Logistics Park to MLT for MYR160 million (~S$52.8 million). Comprising three blocks of single-storey multi-tenanted warehouses with mezzanine offices, this was the first logistics property that Mapletree developed in Malaysia.

In Singapore, Mapletree provided 6,000 copies of the follow-up Activity Book of "What's Inside the Red Box?" to all participating preschools as teaching materials under the Early Childhood Development Agency's "Start Small Dream Big 2016" initiative. This was part of the Group's efforts to commemorate Singapore's founding Prime Minister, the late Mr Lee Kuan Yew.

Launch of "What's Inside the Red Box?" Activity Book

Mapletree completed the divestment of Mapletree Logistics Park Binh Duong Phase 2 to MLT for VND339.2 billion (~S$20.6 million) in Vietnam. Comprising four blocks of single-storey multi-tenanted warehouses with mezzanine offices, this property is currently 100% occupied and is MLT's third property in the country.

Mapletree received the Operation Excellence Award (FM Building Owner/ Facility Occupier Category) from the International Facility Management Association Singapore Chapter (IFMA). This award recognises the value-creation arising from facility management strategies.

October 2016

Mapletree Industrial Trust (MIT) obtained the Temporary Occupation Permit (TOP) for Phase One of the BTS development for Hewlett-Packard Singapore, which comprises an 11-storey Hi-Tech Building with GFA of 421,000 sq ft. Phase Two of the development, comprising an eight-storey Hi-Tech Building with GFA of 403,500 sq ft, is expected to be completed in the second quarter of 2017.

Owned by Mapletree Greater China Commercial Trust, Festival Walk in Hong Kong SAR won the Gold Stevie® for Corporate Social Responsibility Program of the Year – in Asia (China, Japan and Korea), as well as the Silver Stevie® for Best Exhibition, Display, Stand or Feature at the Stevie Awards (International Business Awards). The awards attracted more than 3,800 nominations from over 60 countries.

MJLD completed the construction of Mapletree Ashikaga Logistics Centre 2, a single-storey multi-tenanted

Mapletree Ashikaga Logistics Centre 2, Ashikaga, Japan

distribution facility with ancillary office in Ashikaga, Japan. This facility is adjacent to Mapletree Ashikaga Logistics Centre 1.

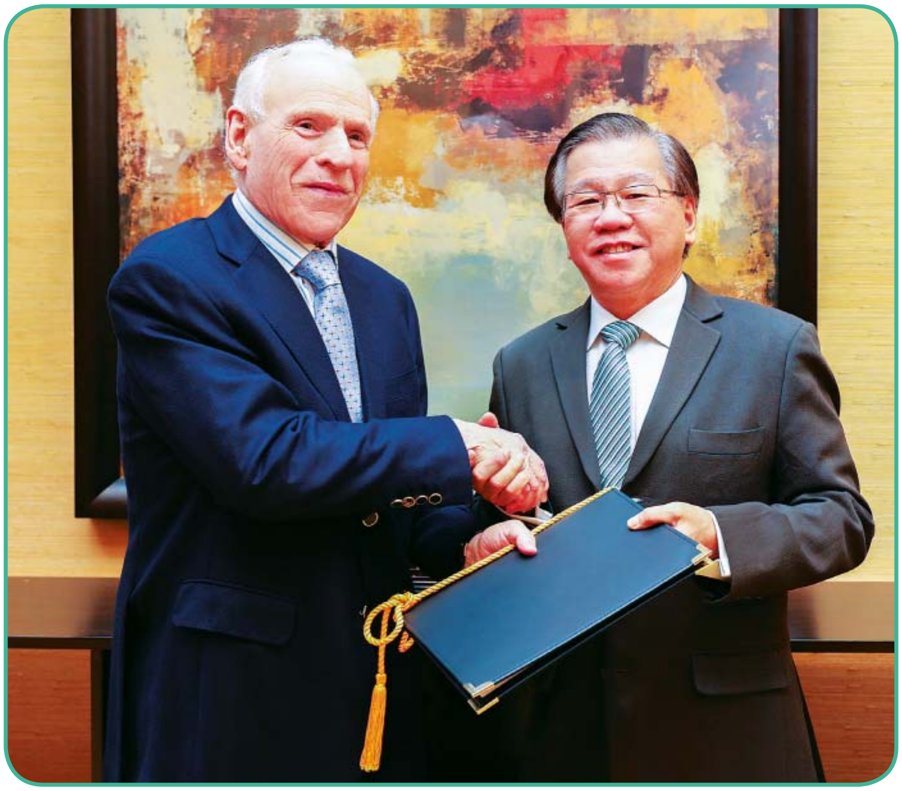
November 2016

Mapletree marked its entry into the United States (US) student accommodation market with the acquisition of a portfolio of seven assets comprising close to 6,000 beds across six states. As at 31 March 2017, Mapletree has 32 student accommodation assets in the UK and the US.

The Lofts at City Center, Alabama, the US

Mapletree has signed a joint venture agreement with ITOCHU, where the latter will co-invest alongside the former in 17 logistics development projects in China and Malaysia. This is in tandem with the strategic alliance which started in 2005.

VivoCity celebrated its 10th anniversary as Singapore's largest retail and lifestyle destination. In conjunction with the mall's anniversary, the mall reopened its newly renovated Children's Play Area at Level Two and launched the "Revival of Punch Buddies" marketing campaign.



Signing ceremony to mark the start of a new chapter for Oakwood Worldwide under Mapletree ownership

December 2016

MLT acquired four properties with a total GFA of approximately 103,517 sqm in Victoria, Australia, for A$142.2 million (~S$151.9 million). With this purchase, MLT has nine properties in the country, providing further geographical and income diversification for the Trust.

January 2017

Construction has started for Inzai Logistics Centre, a joint development between Mapletree and ITOCHU. Scheduled to be completed by March 2018, this five-storey building in Chiba Prefecture, Japan, will have a total GFA of 110,923 sqm.

Mapletree issued S$625 million principal amount of 4.50% perpetual securities pursuant to its US$5 billion Euro Medium Term Note Programme. This was the first public Singapore-dollar debt capital market transaction and also the first public Asian hybrid issuance of 2017.

South China Singapore City International Education Zone, Nanhai, China

Mapletree's South China Singapore City International Education Zone, a part of Nanhai Business City Phase 4 (NBC 4), was officially opened by guest of honour Mr Teo Ser Luck, Singapore's Minister of State for Manpower.

February 2017

Mapletree acquired Oakwood Worldwide to strengthen its corporate housing / serviced apartment business. The acquisition covers all of Oakwood's global operations with former Oakwood Worldwide executive Christopher Ahearn helming the business as Chief Executive Officer.

18 Tai Seng, Singapore

Mapletree opened its retail centre for 18 Tai Seng in Singapore, achieving committed occupancy of 93% for the retail space. The nine-storey mixed-use development, comprising retail, Business 2 and office components, obtained its TOP in November 2016.

Mapletree celebrated the groundbreaking of Mapletree Chengdu Qingbaijiang Logistics Park in China. Comprising six blocks of single-storey warehouses and two blocks of double-storey ramp-up warehouses, the property is strategically located at the junction of the Specialised Cargo Highway and Beijing-Kunming Expressway.

MJLD acquired a portfolio of three BTS logistics assets, namely Odawara Centre 1, Odawara Centre 2 and Joso Centre, for JPY43.1 billion (~S$541.3 million) from Mapletree. Strategically located in the Kanto region of Japan, the portfolio is 100% occupied by blue-chip tenants.

March 2017

MIT announced the development of its third data centre – a six-storey purpose-built data centre with a GFA of about 242,000 sq ft. Located in the West region of Singapore, this BTS project is expected to be completed in the second half of 2018, and will be fully leased to an established data centre operator for an initial lease term of more than 10 years with staggered rental escalations.

MJLD acquired a site in Kobe, Japan, to be developed as a four-storey multi-tenanted logistics facility with a total GFA of 86,604 sqm. Construction is expected to commence in January 2018 and be completed in the first half of 2019.

Hawley Crescent, London, the UK

Oakwood Apartments Azabudai, Tokyo, Japan

Mapletree held its inaugural Mapletree Education Award (EduAward) Presentation Ceremony in Singapore to recognise the academic achievements of its employees' children. The EduAwards comprise cash awards ranging from S$150 to S$500 and are presented twice a year, with the first batch of 41 awards given out.

In Singapore, Mapletree organised the first Mapletree Futsal Challenge as a charity fundraiser, in partnership with Mapletree Business City tenants. All proceeds went to programmes for youths from less privileged backgrounds. This is an extension of the company's corporate social responsibility (CSR) outreach in August 2016, where Mapletree staff played a friendly futsal match against youths from the Group's long-term CSR beneficiary.

Match between MBC's tenants at the Mapletree Futsal Challenge

Mapletree Business Centre, Ho Chi Minh City, Vietnam

Green Park provided venue sponsorship for the annual Reading Half Marathon, whose official charity for 2017 was Cancer Research UK. More than 10,000 runners participated in the 13.1-mile race which started off at Green Park before going around the town of Reading.

Mapletree successfully raised equity of US$535 million (~S$746.2 million) for Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) – the first Trust in Singapore focusing on this resilient and strong-yielding sector. The Trust currently holds about US$1.3 billion (~S$1.8 billion) in student accommodation assets located in the UK and the US, and has a term of five years (with provision for a one-year extension).

Mapletree Business Centre in HCMC, Vietnam, was officially opened by Mr Lee Hsien Loong, Prime Minister of Singapore. Designed to international Grade A specifications, this is Mapletree's first office development in the country and represents the completion of Saigon South Place Phase 2.

The construction of Oakwood Apartments Azabudai, a 48-unit serviced apartment development in Tokyo, Japan, was completed. It is managed by Oakwood under the Oakwood Apartments brand.

King's Place, the residential development in NBC 4, had sold all of its units from Phase 1 (except show flats) since the first sales launch in November 2015. The overwhelming response reflects the popularity of Mapletree's residential products in China.

Mapletree celebrated the groundbreaking of a 21,000 sqm retail development in Osaka, Japan. Upon completion in 2019, this property will be leased to one of Japan's largest electronics retailers. This is the company's first retail asset in Japan.

Financial Review

Income Statement

For the financial year ended 31 March (S$ million)

	2013 FY12/13	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17
Revenue	**1,388.9**	**1,521.9**	**1,633.9**	**1,878.9**	**2,328.8**
Earnings before interest and taxes (EBIT)	884.9	1,051.9	1,137.3	1,316.3	1,545.1
Share of profit/(loss) of associated companies and joint ventures (SOA) (operating)	(7.6)	(9.7)	4.1	10.6	30.0
EBIT + SOA[1]	**877.3**	**1,042.2**	**1,141.4**	**1,326.9**	**1,575.1**
Finance cost – net	(194.0)	(174.6)	(167.4)	(246.2)	(331.7)
Income tax expense	(86.8)	(105.0)	(124.3)	(141.6)	(168.9)
Others	–	–	42.4	28.7	36.7
Non-controlling interests	(319.9)	(380.9)	(418.1)	(438.4)	(467.6)
Recurring PATMI	**276.6**	**381.7**	**474.0**	**529.4**	**643.6**
Asset revaluation gains[2]	297.5	478.0	545.9	404.1	662.1
Corporate restructuring surplus and disposal gains – net[2]	355.5	14.6	3.1	8.3	197.6
Other gains/(losses) – net[3]	21.9	3.9	(19.4)	23.4	(89.6)
PATMI[4]	**951.5**	**878.2**	**1,003.6**	**965.2**	**1,413.7**
Attributable to:					
Equity holder of the Company	**917.2**	**828.6**	**954.0**	**915.6**	**1,349.6**
Perpetual securities holders	**34.3**	**49.6**	**49.6**	**49.6**	**64.1**
	951.5	**878.2**	**1,003.6**	**965.2**	**1,413.7**
Operational profit after tax and minority interests (Operational PATMI[5])	**781.6**	**392.7**	**467.6**	**583.9**	**1,376.5**

Footnotes:

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.

2 Net of tax and non-controlling interests, including share of associated companies' and joint ventures' revaluation gains or losses.

3 Net of tax and non-controlling interests, including share of associated companies and joint ventures, mark-to-market fair value adjustments, negative goodwill, dilution gains or losses and the like.

4 PATMI denotes net profit (after tax and non-controlling interests) attributable to perpetual securities holders and equity holder of the Company.

5 Operational PATMI denotes net income derived from the underlying operating activities of the Group including, inter-alia, real estate leasing and sales activities, capital management fee income businesses, investments in real estate related assets and/or securities, and corporate restructuring surplus or deficit. Any gains or losses on disposal and corporate restructuring surplus or deficit are measured based on the relevant original invested costs (OIC). Gains or losses on foreign exchange, fair value adjustments for financial derivatives and financial assets available-for-sale (per FRS 39 Financial Instruments: Recognition and Measurement), unrealised gains or losses, inter-alia, pure revaluation gains or losses, negative goodwill and dilution gains or losses are not included.

6 ROE denotes return on equity and is computed based on PATMI attributable to equity holders of the Company over shareholder's funds.

7 ROIE is computed based on Operational PATMI (less profit attributable to perpetual securities) over the Group's equity from shareholder adjusted for unrealised revaluation gains or losses and such other non-cash flow and non-operating items including mark-to-market fair value adjustments and negative goodwill.

8 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as of 31 March 2012 as starting base.

9 Recurring Core PATMI is derived from Recurring PATMI less incentive fees and residential gross profit.

10 Relate to acquisitions and developments completed in FY16/17.

Balance Sheet

As at 31 March (S$ million)

	2013 FY12/13	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17
Assets					
Investment properties:					
Completed properties	19,264.4	20,478.0	22,453.9	27,567.1	30,386.8
Under redevelopment	30.4	304.1	704.3	996.5	299.6
Property held for sale	31.2	15.9	17.2	16.5	41.2
Properties under development	560.1	1,443.3	1,790.4	1,647.2	1,663.0
Property, plant and equipment	12.4	10.3	9.1	11.3	175.6
Investments in associated companies and joint ventures	876.3	621.3	922.4	871.0	1,279.0
Cash and cash equivalents	2,263.5	717.0	752.0	1,027.0	1,179.8
Others	418.5	414.9	554.5	821.4	1,234.2
Total Assets	**23,456.8**	**24,004.8**	**27,203.8**	**32,958.0**	**36,259.2**
Liabilities					
Borrowings/Medium term notes	7,761.7	7,077.9	8,332.3	13,219.3	13,095.5
Current and deferred income tax liabilities	285.5	292.0	343.7	384.9	422.9
Others	1,042.3	884.5	1,132.6	1,294.1	1,517.0
Total Liabilities	**9,089.5**	**8,254.4**	**9,808.6**	**14,898.3**	**15,035.4**
Net Assets	**14,367.3**	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**
Shareholder's funds	7,584.2	8,343.6	9,330.1	9,941.3	11,184.1
Perpetual securities	941.1	941.1	941.1	941.1	1,817.8
Non-controlling interests	5,842.0	6,465.7	7,124.0	7,177.3	8,221.9
Total Equity	**14,367.3**	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**

Key Highlights – FY16/17

- The Group concluded the year with a record PATMI[4] of S$1,413.7 million, 46% higher than the previous financial year. The profitability of the Group was underpinned by strong recurring earnings of S$643.6 million, a year-on-year (y-o-y) growth of 22% or S$114.2 million higher than FY15/16. In addition, the Group recorded increased investment and other gains of S$108.0 million and revaluation gain (net) of S$662.1 million.

- The Group also achieved the largest ever Operational PATMI[5] of S$1,376.5 million, close to 2.4 times that of FY15/16.

- The Group expanded its international presence with the acquisition of Green Park, a 79-hectare freehold business park in Thames Valley, Reading, United Kingdom (UK) on 18 May 2016, bringing the assets under management (AUM) in the UK to S$2.5 billion, 47% higher than FY15/16. In November 2016, the Group made its maiden investment in a student accommodation portfolio in the United States (US) – the world's largest student accommodation market – by acquiring seven student accommodation assets located across six states. These acquisitions contributed new leasing income streams of S$83.9 million in FY16/17.

- In February 2017, Mapletree accelerated the Group's long-term strategy of global expansion into the corporate housing / serviced apartment business by acquiring Oakwood Worldwide, a premier global provider of corporate housing / serviced apartment solutions.

- Within Asia, the Group made strong headway in Vietnam when it acquired Kumho Asiana Plaza (KAP) in District 1, Ho Chi Minh City (HCMC) in June 2016. KAP is a prime mixed-use complex of about 146,000 square metres (sqm) in gross floor area (GFA) of offices, serviced apartments and a hotel. The hotel and serviced apartments are managed by InterContinental Hotels Group. In March 2017, the Group opened Mapletree Business Centre, its first office development of international Grade A specifications. The 17-storey office tower is Phase Two of the Group's mixed-use development, Saigon South Place, in the affluent District 7 of HCMC.

- During the year, the Group grew its logistics development projects in China, bringing the total GFA from 1,547,000 sqm to 2,800,000 sqm, a y-o-y increase of 81%. More than 80% of total GFA across 34 projects is located in Tier 1 and 2 cities.

- Mapletree Business City I (MBC I) was injected into Mapletree Commercial Trust (MCT) in August 2016 at a consideration of S$1.8 billion. The acquisition of MBC I reinforced MCT's position as a leading real estate investment trust (REIT) in Singapore with an asset base of S$6.3 billion and was both distribution per unit and net asset value per unit accretive to MCT. Mapletree also divested three logistics properties in Japan to MJLD in February 2017 at a consideration of S$535 million. The acquisition of Joso Centre, Odawara Centre 1 and 2 by MJLD increased its capital deployment significantly.

- Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) was successfully syndicated and closed in March 2017. MGSA P-Trust holds about S$1.8 billion in student accommodation assets located in the UK and US, the two largest student accommodation markets in the world, and is the first trust in Singapore to focus on this resilient and strong-yielding sector.

- In January 2017, Mapletree Treasury Services Limited launched and priced S$625 million principal amount of 4.5% perpetual securities. This was the first Singapore dollar debt capital market transaction and the first public Asian hybrid issuance of 2017.

- The Group delivered a return on equity (ROE[6]) of 12.8% and return on invested equity (ROIE[7]) of 18.7% for FY16/17.

Performance over Five Years

- Five-year average ROE[6] for the Group stood at 11.3% while the five-year average ROIE[7] was 11.2%.

- The Group grew its shareholder's funds by S$4.5 billion over a five-year period to S$11.2 billion as at 31 March 2017. Net asset value compounded annual growth rate (NAV CAGR[8]) since 31 March 2012 was 11.8% per annum (p.a.).

- Successful acquisitions as well as completed development projects enabled recurring core PATMI[9] to increase every year over the past five years, from S$279.3 million in FY11/12 to S$643.6 million in FY16/17.

- Operational PATMI[5] grew from S$1,203.6 million in FY11/12 to S$1,376.5 million in FY16/17 on the back of higher recurring PATMI[4], coupled with gains from OIC on divestments.

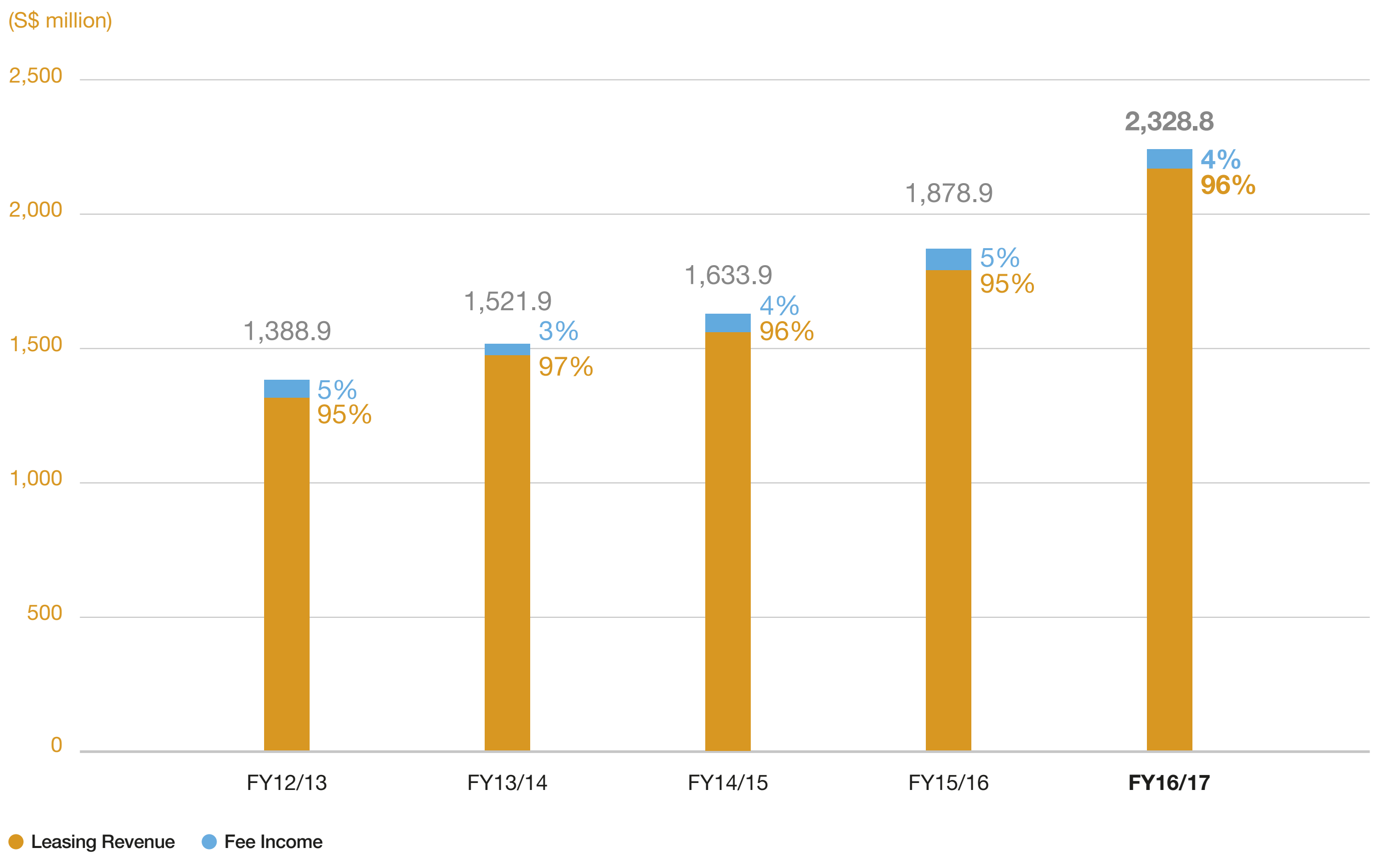
- Fee income (including REIT management fees) increased from S$134.3 million in FY11/12 to S$277.4 million in FY16/17 at a CAGR of 15.6% p.a.

- Total real estate assets owned and managed grew by close to 2.0 times from S$19.9 billion as at 31 March 2012 to S$39.5 billion as at 31 March 2017.

- Asia accounted for 86% of the Group's AUM in FY16/17. The Group made a strategic decision to expand beyond Asia into the developed economies of US, Australia and Europe three years ago. These developed economies now comprise 14% of Mapletree's total owned and managed real estate assets, with total AUM of S$5.6 billion as at 31 March 2017.

Revenue

Sources of Revenue (%)



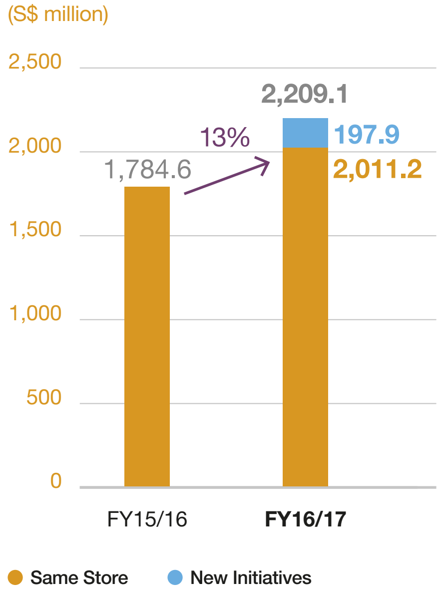
In FY16/17, Mapletree achieved total revenue of S$2,328.8 million, representing a strong y-o-y growth of 24% or a CAGR of 14.6% over the last five years. The increase is anchored by organic growth and new income sources. Leasing revenue contribution to total revenue remained high at 96% for the year.

The higher leasing revenue is mainly due to new income streams arising from acquisitions in Asia and the New Markets as well as the continued growth of the four Mapletree managed REITs – Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), MCT and Mapletree Greater China Commercial Trust (MGCCT). Contributions from the new acquisitions of KAP in Vietnam, Green Park in the UK and student accommodation in the US amounted to approximately S$148.0 million in FY16/17. Full-year contributions from FY15/16 acquisitions of corporate housing / serviced apartment in the US, office buildings in the UK, Australia and Germany and student accommodation in the UK amounted to about S$198.2 million. New leasing income streams from the completion of development properties, Mapletree Business City II (MBC II) and Mapletree Logistics Hub Tsing Yi in Hong Kong SAR contributed about S$55.3 million.

The Group recorded fee income of S$78.9 million in FY16/17 compared to S$84.5 million in FY15/16 primarily due to the incentive fee income of S$13.1 million from Mapletree Industrial Fund (MIF) in FY15/16 upon the full realisation of the fund.

Please refer to page 34 for each footnote explanation.

Leasing Revenue Y-O-Y Analysis



MLT's revenue grew y-o-y, mainly driven by contributions from accretive acquisitions.

MIT's improved y-o-y performance was driven by higher rental rates achieved across all property segments as well as revenue contribution from Phase One of the build-to-suit (BTS) development for Hewlett-Packard Singapore (Hewlett-Packard).

MCT's revenue rose 5% to S$302.6 million for FY16/17 mainly driven by the continued healthy performance of VivoCity, Mapletree Anson and PSA Building.

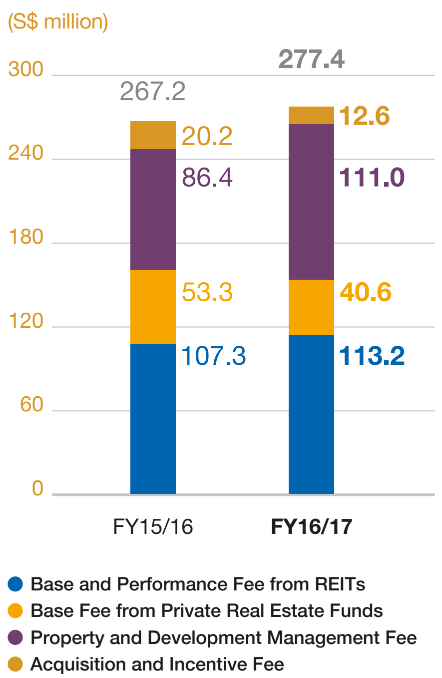
MGCCT's higher revenue was largely driven by positive rental uplifts from Festival Walk and the full year contribution from Sandhill Plaza which was acquired in June 2015.

In addition to the improved performance of the REITs, the Group's same store revenue grew y-o-y, primarily attributed to the full-year leasing contribution from Mapletree Logistics Hub Tsing Yi and FY15/16 acquisitions in Australia, Europe and US.

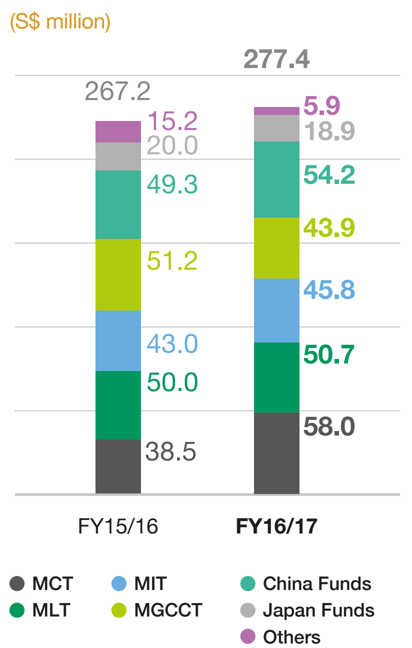
Accounting for more than 9% of total leasing revenue, revenue from new initiatives[10] was largely generated from acquisitions by MLT, the Group's acquisitions in Vietnam, UK and US, and properties which attained temporary occupation permit (TOP) in FY16/17.

Fee Income (Including Reit Management Fees) Y-O-Y Analysis

Fee Income by Type



Fee Income by Business Unit (BU)



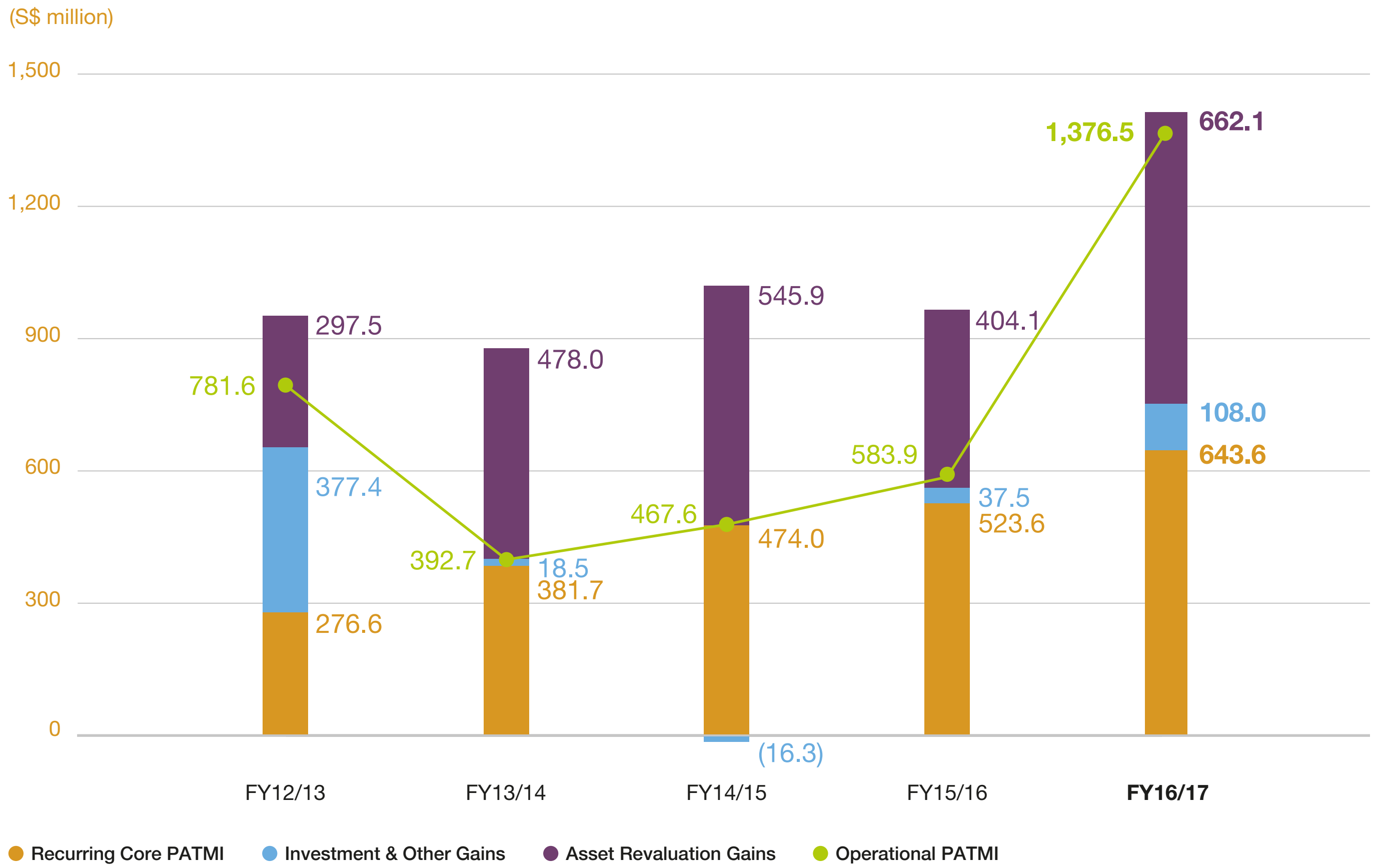
The management of REITs is a core business of the Group and Mapletree is one of the largest REIT managers in Singapore. Hence, it is meaningful for fee income analysis to include REIT management fee income in addition to fees from its private funds and other fee revenue.

Including REIT management fees, fee income increased from S$267.2 million in FY15/16 to S$277.4 million in FY16/17, driven by higher fee contribution from three of the Group's managed REITs – MCT, MLT and MIT, partially offset by the reduction in "Others" mainly due to S$13.1 million MIF incentive fee income in FY15/16.

Property and development management fee increased by S$24.6 million, in line with the acquisition activities mainly by MJOF and completion of development properties mainly from Mapletree China Opportunity Fund II (MCOF II) and MJLD. This is partially offset by lower base fee of S$12.7 million from MCOF II and MJOF due to change in base fee calculation from committed to contributed capital.

Earnings Profiles

PATMI[4] and Operational PATMI[5]



Despite global economic uncertainty brought on by events such as Brexit and the US Federal Reserve's interest rate hike, the Group produced commendable results, attaining the highest ever PATMI[4] of S$1,413.7 million for FY16/17. The higher profitability was due to strong operating performance, new income streams, higher corporate restructuring surplus and capital uplift.

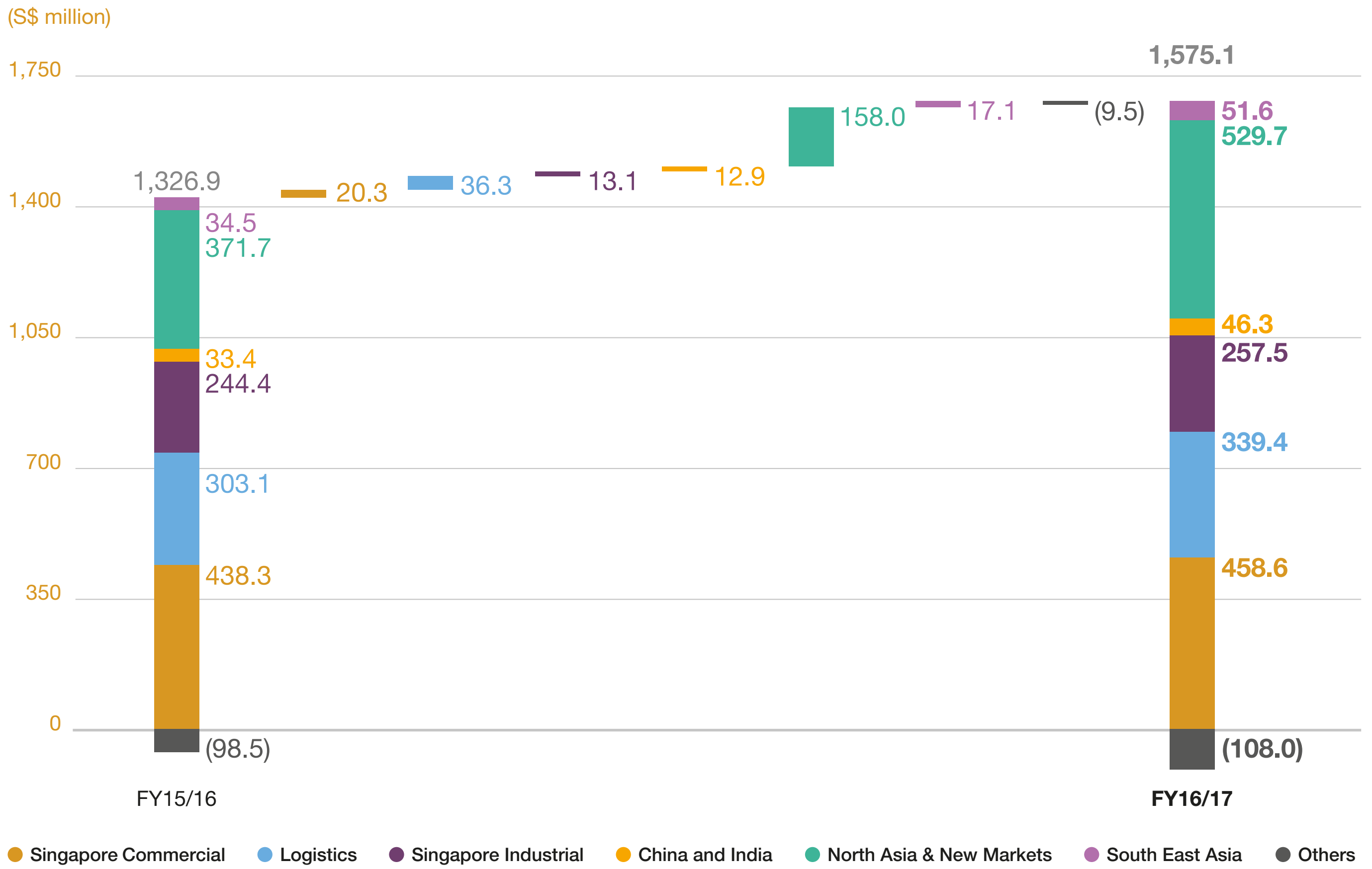
Recurring core PATMI[9] grew by 23% from S$523.6 million in FY15/16 to S$643.6 million in FY16/17 driven by the Group's efforts to build up its presence in existing and new markets and strong recurring earnings.

Asset revaluation gains[2] of S$662.1 million was recorded in FY16/17, supported by the resilient underlying performance of Mapletree's owned and managed real estate assets.

The Group achieved Operational PATMI[5] of S$1,376.5 million in FY16/17, compared to S$583.9 million in FY15/16 underpinned by stronger broad base recurring earnings, as well as gains recorded, amongst others, from the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD.

Please refer to page 34 for each footnote explanation.

EBIT + SOA[1] Y-O-Y Growth Analysis by Business Unit (BU)



The Group recorded higher EBIT + SOA[1] from S$1,326.9 million in FY15/16 to S$1,575.1 million in FY16/17. Active lease management and cost containment of the portfolio, as well as new income streams from acquired properties in Vietnam, US and the UK contributed to the improvement.

- Singapore Commercial BU recorded a higher EBIT + SOA[1] of S$20.3 million over FY15/16 mainly due to the TOP of MBC II in April 2016 and higher earnings from VivoCity, Mapletree Anson and PSA Building.

- Logistics BU reported an increase of S$36.3 million, largely attributable to MLT with higher leasing revenue from newly acquired properties in Australia and full year leasing contribution from Mapletree Logistics Hub Tsing Yi which obtained TOP in March 2016.

- Singapore Industrial BU posted an increase of S$13.1 million from higher MIT earnings attributed to higher rental rates achieved across all property segments, improved occupancies in Hi-Tech Buildings and revenue contribution from Phase One of the BTS for Hewlett-Packard which obtained TOP in October 2016.

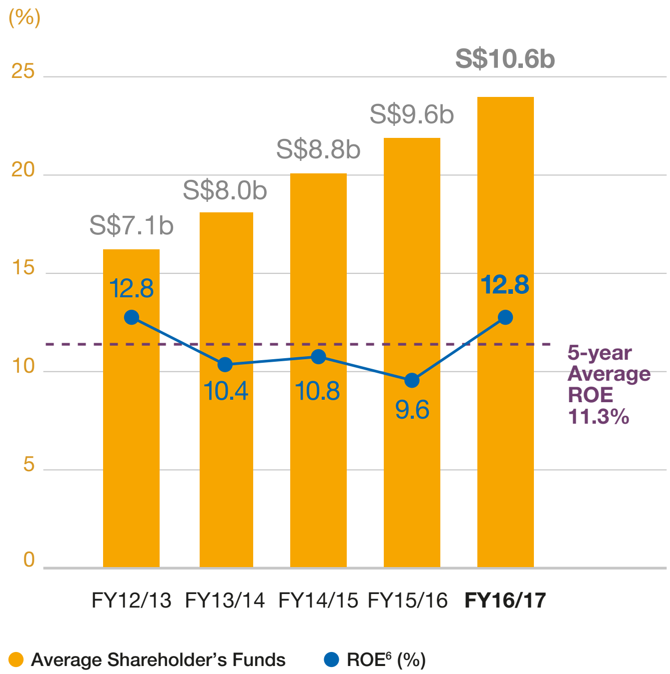
- China and India BU recorded higher EBIT + SOA[1] by S$12.9 million mainly due to higher fee income from MCOF II following the commencement of Phase Two construction of Nanhai Business City 4 in August 2016, and share of lower loss from MCOF II with the en bloc sale of one office block at Mapletree Business City Shanghai. Higher occupancy and rental rates from Arca Building in Beijing also contributed to higher earnings.

- North Asia & New Markets BU achieved higher EBIT + SOA[1] by S$158.0 million primarily attributable to full year contributions from FY15/16 acquisitions, new acquisitions of business park in the UK and student accommodation in the US, full year contribution from Sandhill Plaza acquired in FY15/16 and strong rental uplift from Festival Walk, Hong Kong SAR under MGCCT, and share of higher profit from MJOF due to higher revenue from existing properties and new acquisitions.

- South East Asia BU registered higher EBIT + SOA[1] of S$17.1 million mainly due to new EBIT contribution from KAP, but partially negated by the full realisation of MIF in FY15/16.

Earnings Ratio

ROE[6] and ROIE[7]



ROE[6] increased from 9.6% in FY15/16 to 12.8% in FY16/17 mainly attributable to higher operating earnings, corporate restructuring surplus, disposal gains and asset revaluation gains.

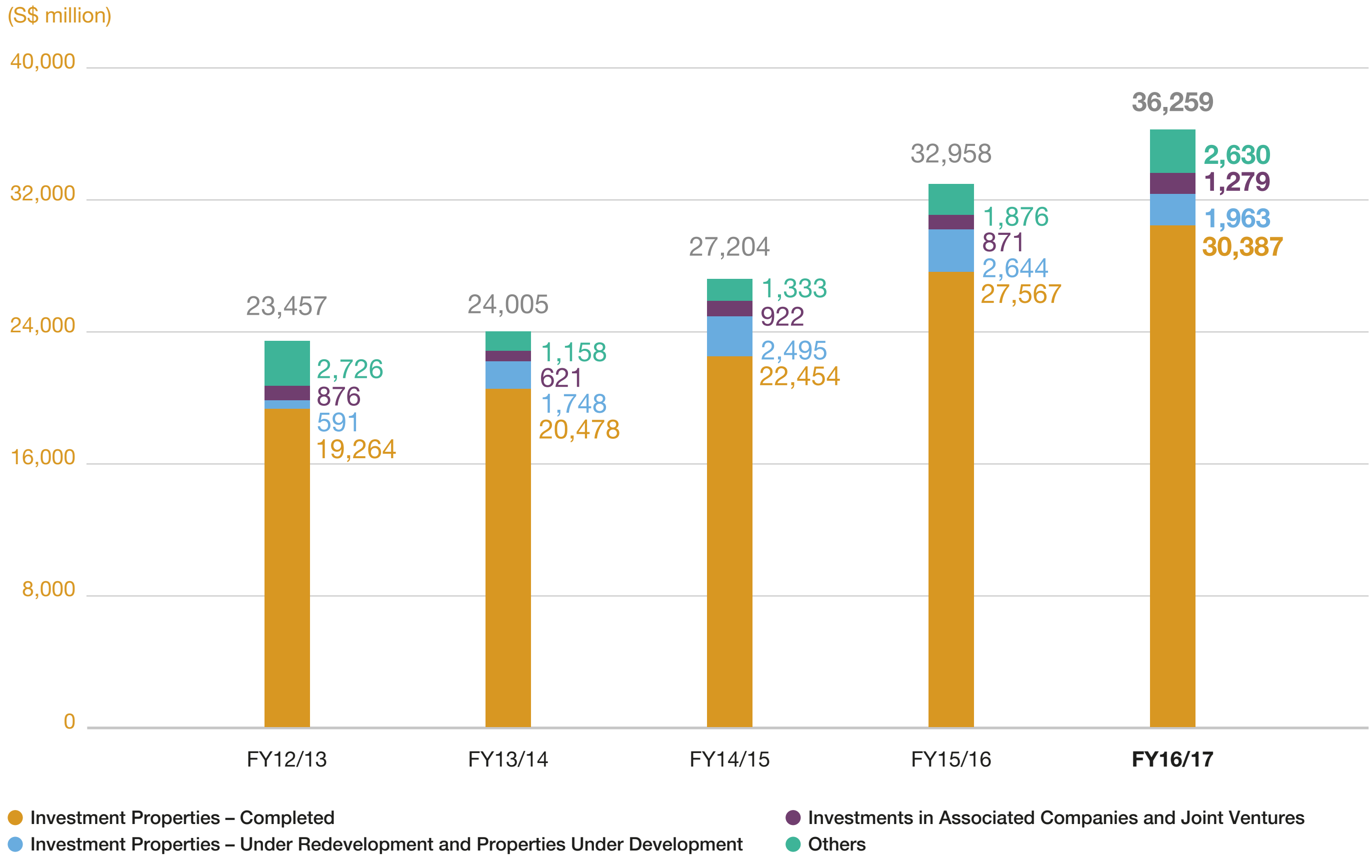
ROE[6] for a real estate company includes gains or losses from revaluation of investment properties in accordance with Singapore Financial Reporting Standards 40 which can be significant. From an operational measurement point of view, the Group also considers ROIE[7] as one of its performance measurement matrices. This ratio captures operating returns of the Group for the amount invested by its shareholder in the underlying businesses adjusted for the effect of non-operating and non-cash flow items, such as unrealised investment properties revaluation gains and losses, negative goodwill, dilution gain or loss and fair value adjustments for financial derivatives and available-for-sale financial assets.

The Group delivered strong return to its shareholder with a ROIE[7] of 18.7% in FY16/17, higher than the ROIE[7] of 9.2% in FY15/16. This is driven by higher recurring earnings and corporate restructuring surplus and share of associated companies' gain on disposal, both of which are measured from OIC rather than the revalued book value.

Please refer to page 34 for each footnote explanation.

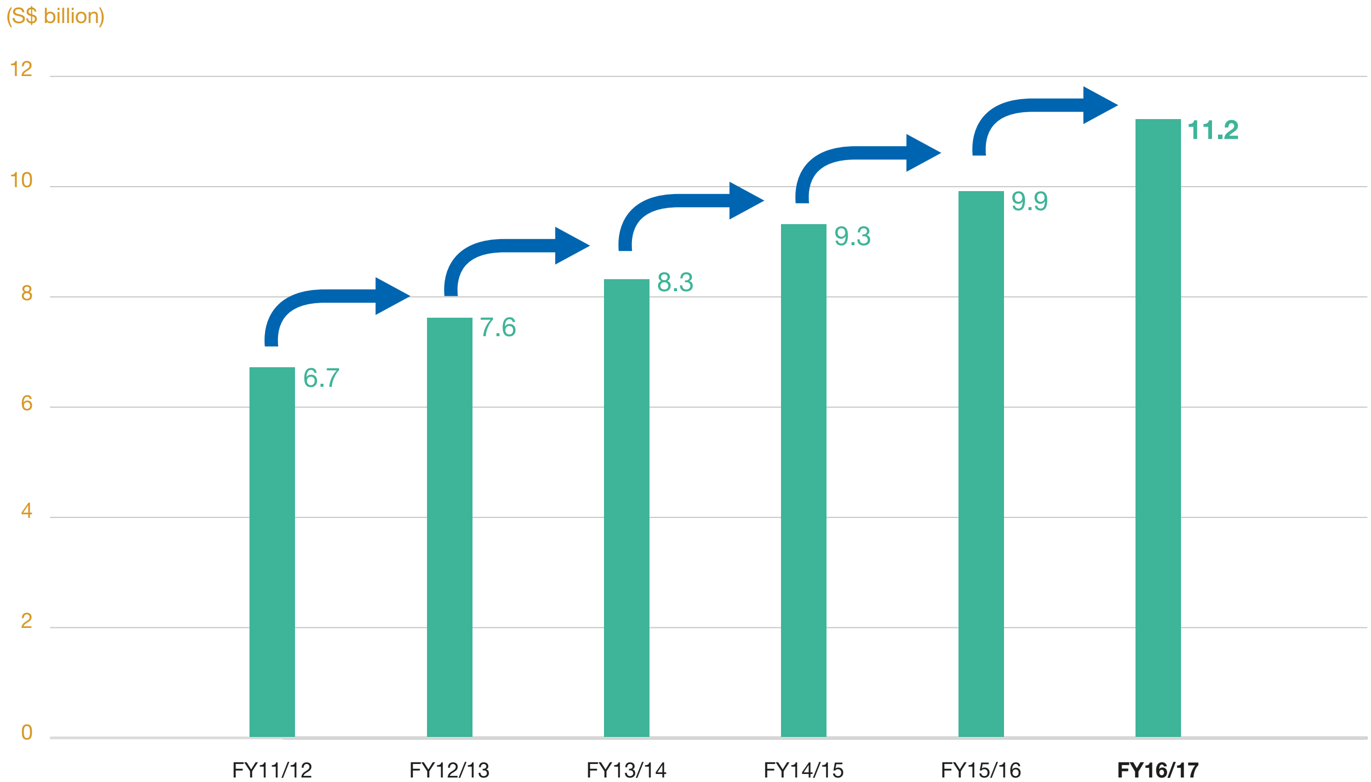
Total Asset Base and Shareholder's Funds

Total Asset Base



Total assets grew from S$32,958 million in FY15/16 to S$36,259 million in FY16/17, primarily attributed to the acquisition of investment properties in Vietnam, US and Europe, the completion of MBC II and 18 Tai Seng in Singapore, and properties under construction - Mapletree Bay Point in Hong Kong SAR and logistics projects in China and Malaysia.

Shareholder's Funds

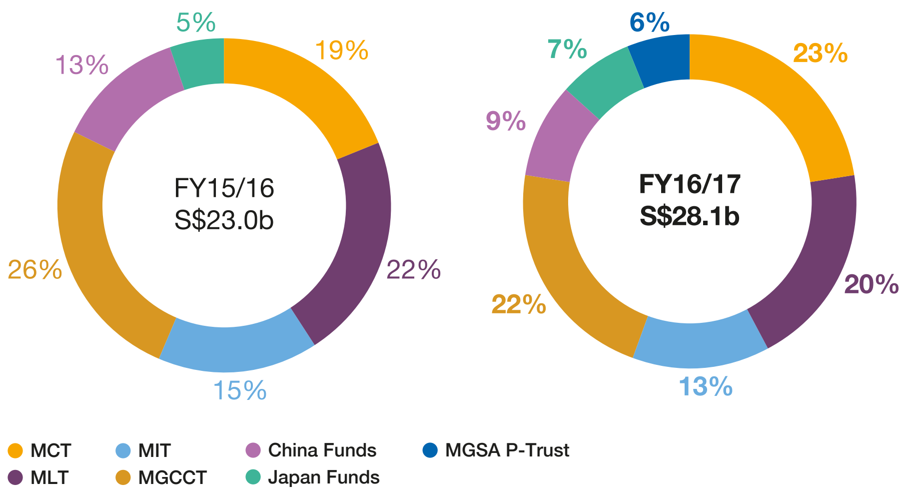


Over the years, the Group continued to seek quality and yield-accretive investment opportunities that deliver long-term value across different asset classes, as well as executing well on its development projects. Strong underlying businesses, increase in real estate valuation and capital management platforms underpinned returns and generated considerable value to the Group's shareholder's funds over the past few years.

The Group's PATMI[4] of S$1,413.7 million in FY16/17 contributed to a 13% increase in shareholder's funds from S$9.9 billion for FY15/16 to S$11.2 billion for FY16/17.

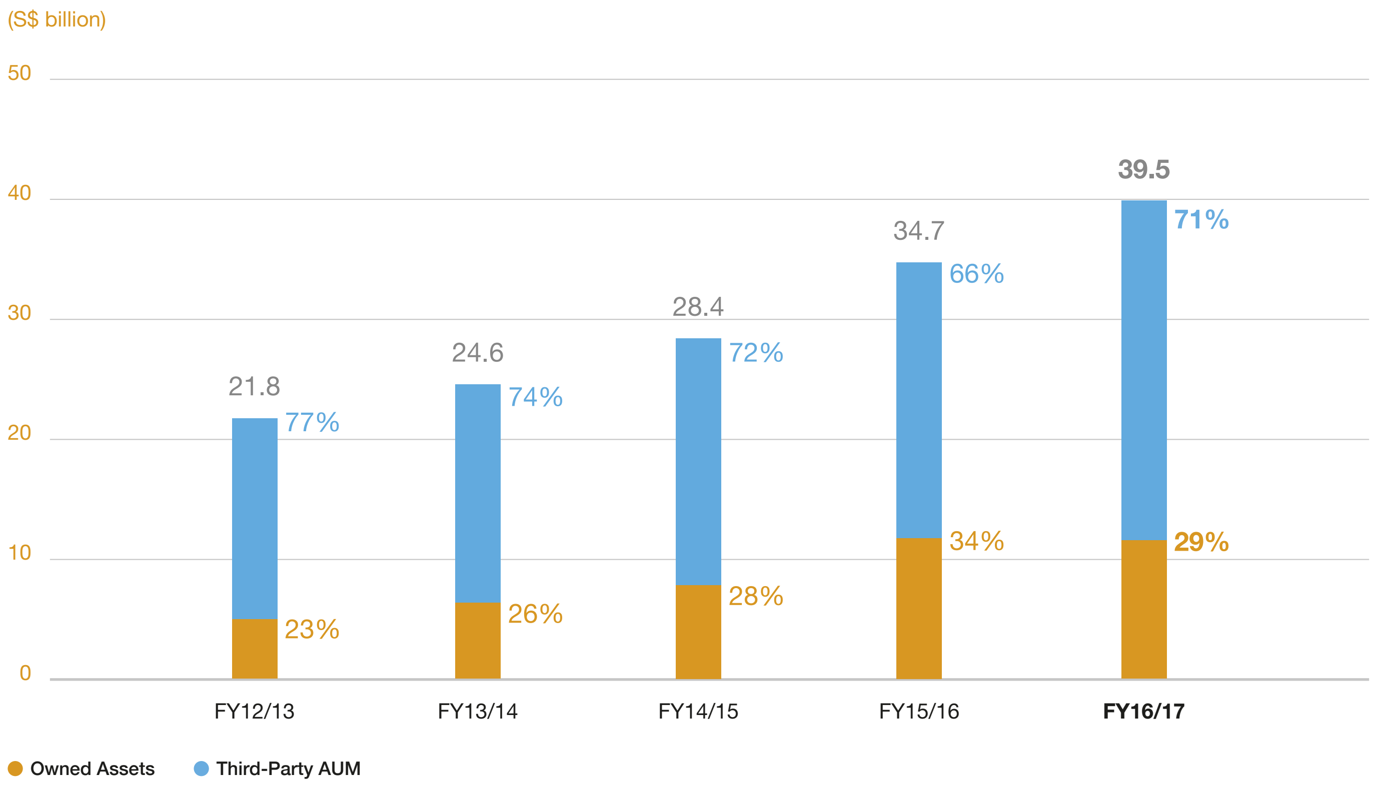
Please refer to page 34 for footnote explanation.

Third-Party Assets Under Management (AUM) by Segment (%)



Third-party AUM grew by S$5.1 billion from S$23.0 billion in FY15/16 to S$28.1 billion in FY16/17. The increase is mainly driven by the divestment of MBC I to MCT in August 2016 and three high-yield logistics assets to MJLD in February 2017 as well as the successful close of MGSA P-Trust in March 2017.

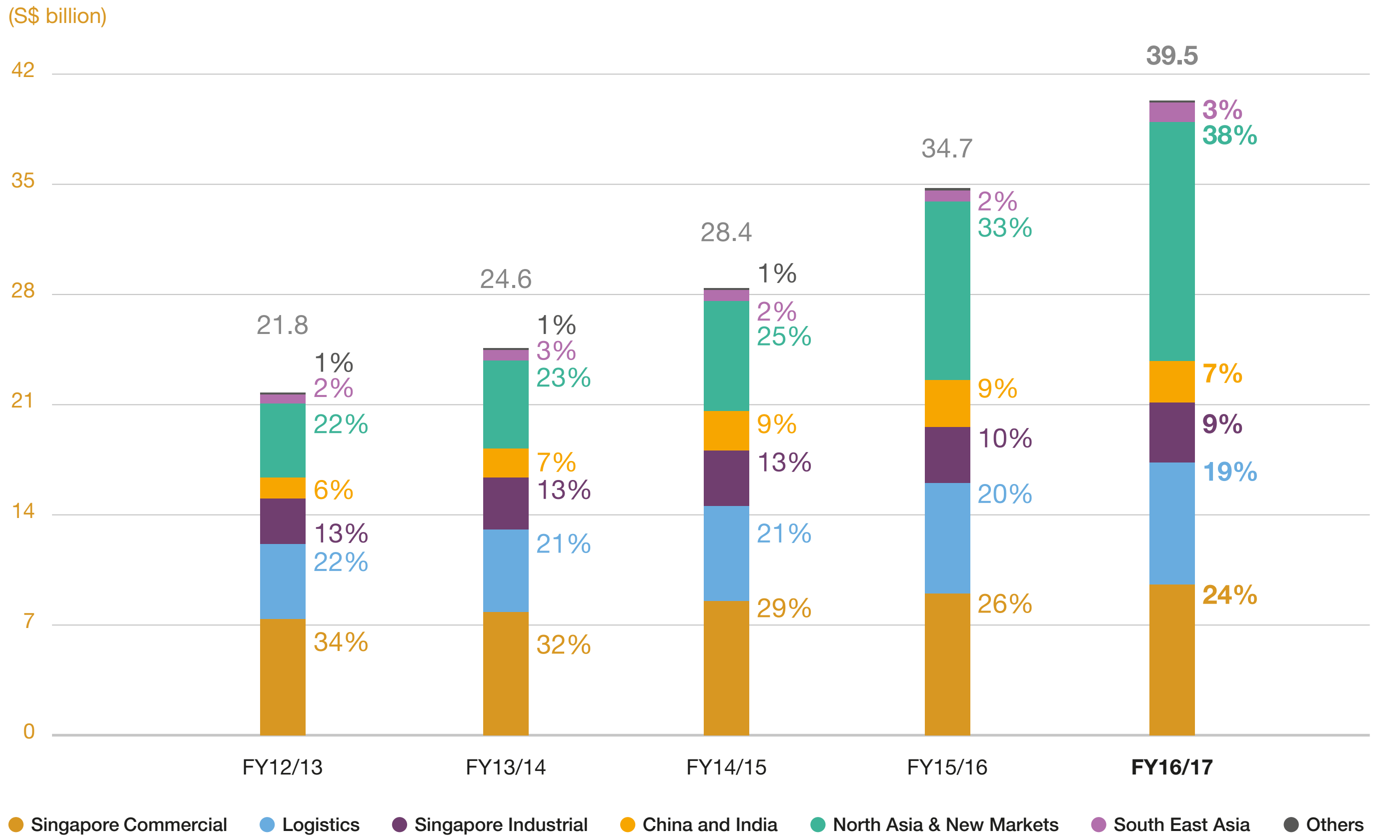
Total Real Estate Asset Base



The Group continued to achieve significant growth in its real estate AUM in the last five years with a CAGR of 15%. Total owned and managed real estate assets increased from S$34.7 billion in FY15/16 to S$39.5 billion in FY16/17 mainly underpinned by acquisitions in Vietnam, US, Europe and Australia.

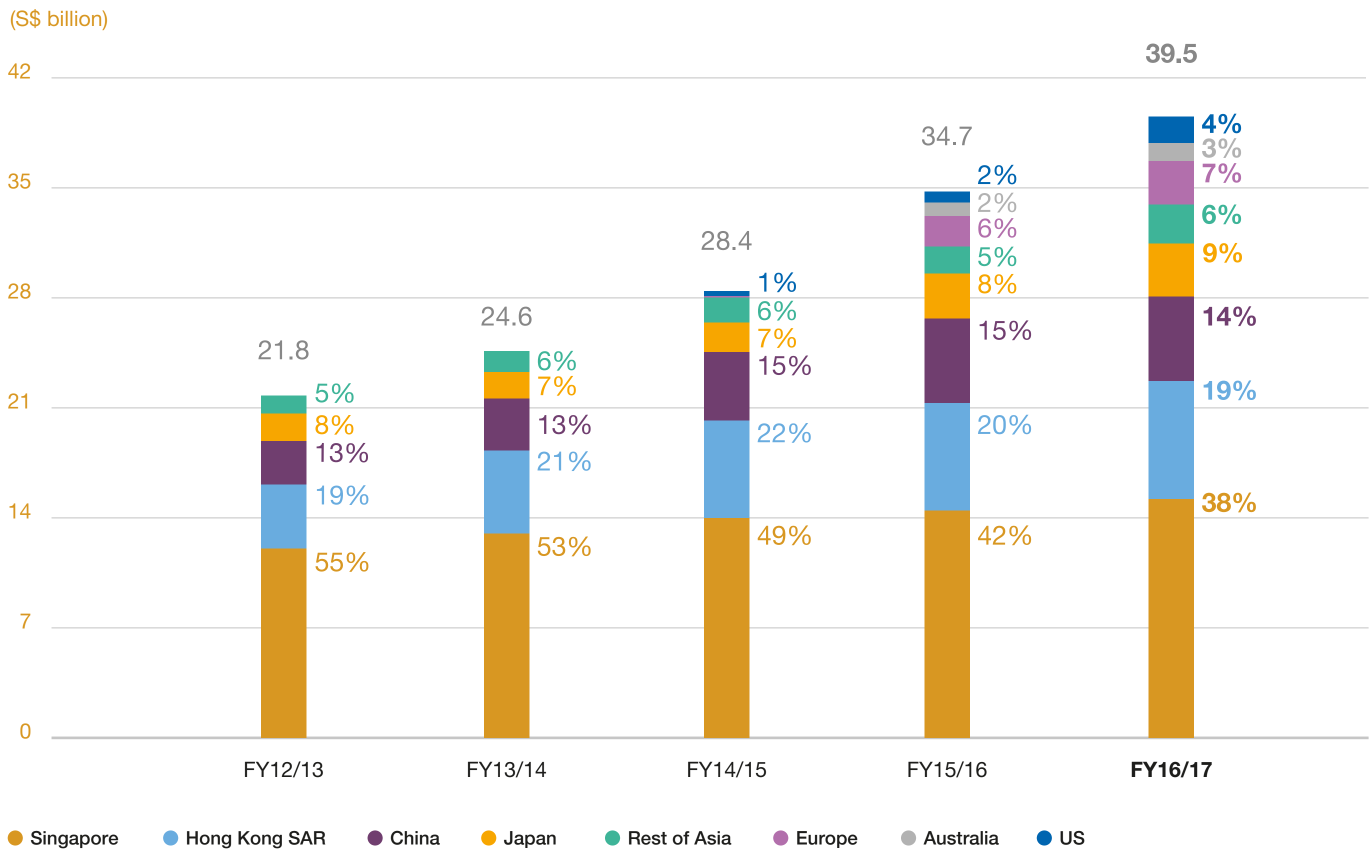
Development activities mainly in Tier 1 and 2 cities in China, capital value uplift of the REITs' portfolio and the Group's owned assets including MBC II, which obtained TOP in 2016 also contributed to the growth in AUM.

Total Owned and Managed Real Estate Assets by BU (%)



In line with the Group's strategy to grow new income streams beyond Asia and diversify its business in the developed markets of US, Australia and Europe, North Asia & New Markets BU remained the largest BU by AUM, accounting for 38% of AUM. Singapore Commercial and Logistics BU continued to be the second and third largest BU by AUM respectively since FY15/16.

Total Owned and Managed Real Estate Assets by Country (%)



To date, the Group owns and manages real estate assets across 12 economies. During the year, the Group further boosted its presence in the UK, US, Vietnam and Japan, mainly in the business park, corporate housing / serviced apartment, student accommodation and mixed-use development sectors. Mapletree's total owned and managed real estate assets in the US, Australia and Europe account for 14% of the Group's total AUM as compared to 10% a year ago. Regardless, Singapore remains predominant, with the largest proportion of assets at 38%.

Corporate Liquidity & Financial Resources

Financial Market Review

2016 was a volatile year for global economy against the backdrop of two major geopolitical events - the United Kingdom referendum and the United States (US) presidential election, as well as divergent monetary policies among central banks causing uncertainty in global financial markets.

The Singapore economy grew by 2% in 2016, comparable to the growth of 1.9% in 2015. The Ministry of Trade and Industry expects the economy to grow at a modest pace of 1% to 3% in 2017. The US Federal Reserve raised rates by 0.25% in March 2017 (following the last increase in December 2016); in view of stable economic growth, strong employment data and confidence that inflation is rising to the central bank's target. The US economy is also projected to grow at a faster pace in 2017, supported by the expected expansionary economic policies under the new US administration.

In contrast, China's economy ended 2016 with 6.7% growth, the slowest in 26 years. Growth in 2017 is expected to be lower, to around 6.5% as the country continues with the rapid structural change from an investment to domestic consumption driven economy. Markets had also been concerned on the impact from tightening of monetary policy in China. In the Eurozone, growth is likely to remain modest. Confidence in the Eurozone continues to be undermined by political risks with upcoming elections in key Eurozone economies. As for Japan, it will likely see its economy grow this year on the back of the weak yen and government steps to stimulate sluggish consumer demand.

Financial Resources and Liquidity

During the year, the Mapletree Group continues to proactively build a strong base of funding resources to support its working capital requirements, capital expenditure and investment needs. This enables Mapletree to capitalise on opportunities for growth in Asia and beyond. On an ongoing basis, the Group monitors its cash flow position, debt maturity profile, cost of funds, foreign exchange and interest rate exposures, as well as overall liquidity position. To ensure sufficient financial flexibility for the Group to meet its commitments, scenario analyses including stress tests are performed regularly to assess the potential impact of market conditions on its financial position.

As at 31 March 2017, total cash reserves and unutilised banking facilities amounted to S$8,408 million.

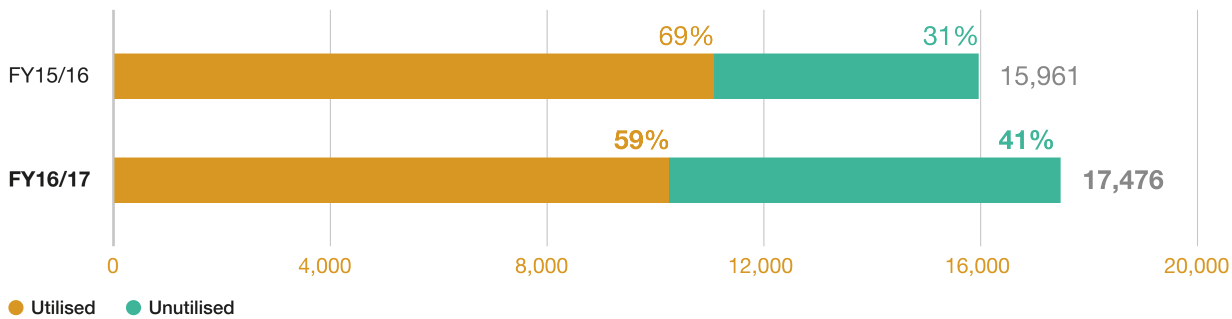
Financial Capacity	S$ million
Cash	1,180
Undrawn Banking Facilities	7,228
Total	**8,408**
Issue Capacity under Euro/Medium Term Note Programmes	**10,312**

The Group taps the capital market from time to time, especially for funding in longer tenures. In November 2016, Mapletree Treasury Services Limited, a wholly-owned subsidiary of the Group, increased its existing US$3 billion Euro Medium Term Note (EMTN) Programme to US$5 billion. In addition, it raised S$1,325 million comprising:

- S$625 million principal amount of 4.50% perpetual securities on 12 January 2017. This was the first public Singapore dollar debt capital market transaction and also the first Asian hybrid issuance of 2017.
- S$700 million principal amount of 3.95% perpetual securities on 4 May 2017. Proceeds are to be used for general corporate purposes and to redeem the outstanding S$600 million 5.125% perpetual securities on its first call date of 25 July 2017.

Bank Facilities Availability and Utilisation

(S$ million)



Debt and Gearing

As at 31 March 2017, the Group's net debt was S$11,765 million compared to S$12,147 million as at 31 March 2016. Net Debt/Total Equity Ratio decreased to 0.55 times from 0.67 times a year ago and Total Debt/Total Assets Ratio decreased to 0.36 times from 0.40 times during the same period. The decrease in debt was partly due to the receipt of proceeds from injection of various assets into its real estate capital management platforms.

The injection of the office and business park components of Mapletree Business City I to Mapletree Commercial Trust (MCT) in August 2016 was very well received by MCT unitholders and helped Mapletree to recycle capital of approximately S$1.8 billion. In February 2017, the Group divested three logistics centres in Japan for proceeds in excess of S$500 million to MJLD. The capital recycled was mainly deployed to the Group's new investments and repayment of debt. In line with the strategy to expand the Group's real estate capital management platforms, the Group launched and closed its first student accommodation private trust, Mapletree Global Student Accommodation Private Trust, in March 2017 raising approximately US$350 million (~S$490 million) third party equity from institutions and private bank investors.

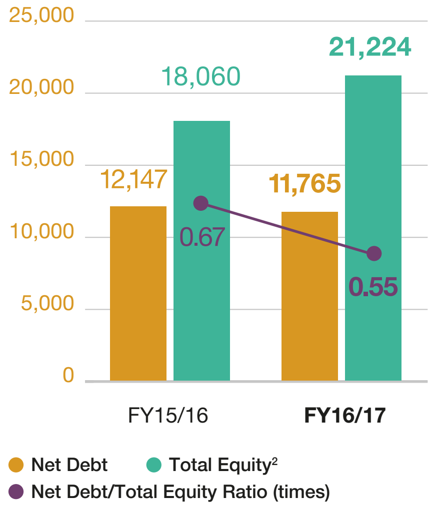
	As at 31 March 2016 S$ million	**As at 31 March 2017 S$ million**
Total Debt[1]	13,174	**12,945**
Cash	1,027	**1,180**
Net Debt	12,147	**11,765**

As at 31 March 2017, about 99% of the Group's debt portfolio was from committed banking facilities and medium to long-term bond issuance. The balance 1% was funded by short-term banking facilities to facilitate repayment flexibility arising from cash flows from operations and/or other activities.

The Group makes a conscious effort to diversify its funding sources and spread its debt maturity profile to align with its cash flow plans, and also to reduce refinancing risks. The average life of its existing gross debt portfolio was 3.3 years as at 31 March 2017 compared to 3.1 years a year ago. The Group

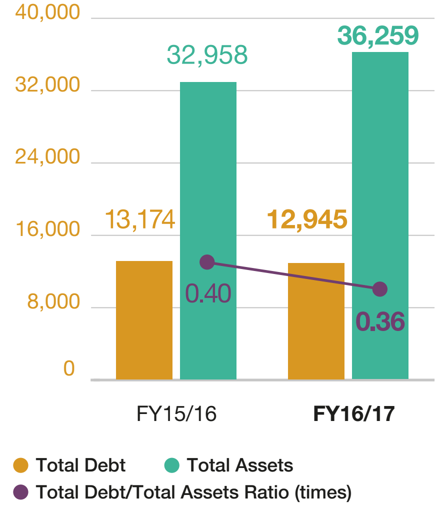
Nebt Debt/Total Equity

(S$ million)



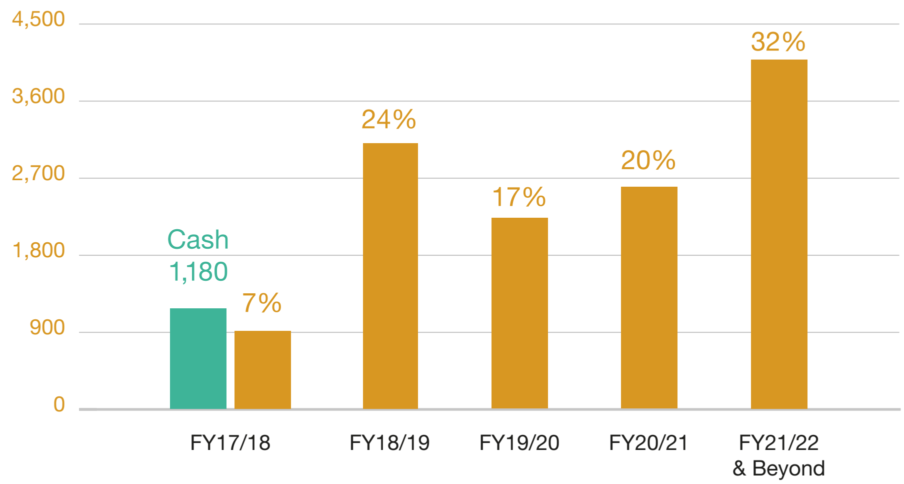
Total Debt/Total Assets

(S$ million)

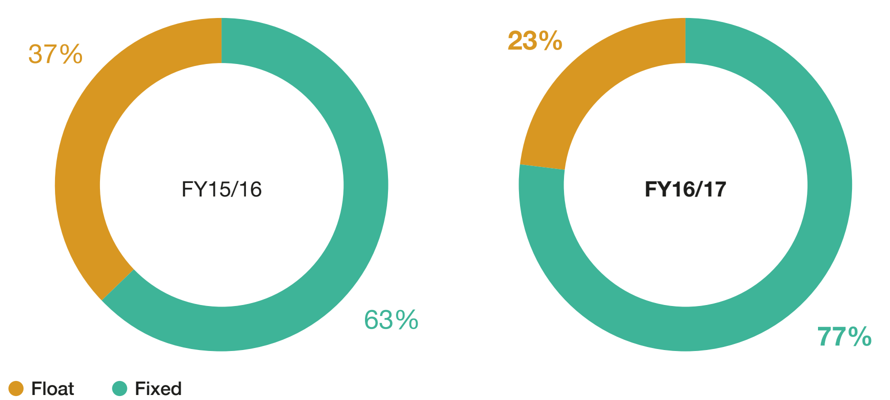


Maturity Profile as at 31 March 2017

(S$ million)



Fixed vs Float



1 Loans from non-controlling interests of subsidiaries have been excluded from the analysis.
2 Comprising shareholder's funds, perpetual securities and non-controlling interests.

has more than sufficient resources to support its refinancing needs for the next financial year.

Mapletree continues to maintain and build active relationships with a wide network of banks of various nationalities. The diversification of financial institutions has enabled the Group to tap on the different competencies and strengths of its relationship banks to support Mapletree's business strategy and growth globally.

The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings as part of its liability management strategy. Where necessary, the Group uses derivative financial instruments to hedge its interest rate risks. Fixed rate borrowings made up 77% of the Group's total gross debt with the balance from floating rates borrowings. Factors used in determining the interest rate profile included the interest rate outlook, the investments' planned holding period, and the expected cash flows generated from business operations.

In FY16/17, the Group's interest cover ratio was 4.7 times (FY15/16: 5.4 times) and the cash flow cover ratio was 4.4 times (FY15/16: 6.1 times).

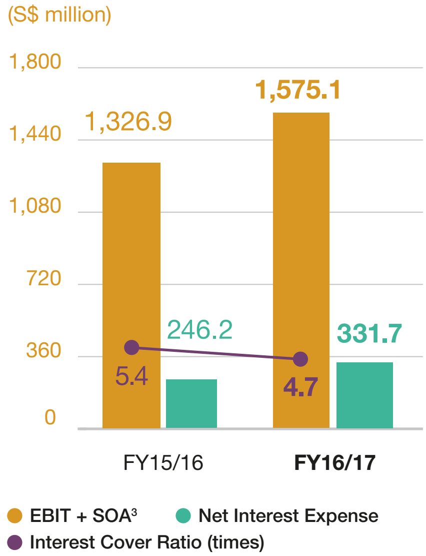
Asset-Liability Management

Where feasible, the Group adopts a natural hedge policy to mitigate exposure to foreign exchange rate risks. As at 31 March 2017, the Group has drawn foreign currency loans to fund investments that are denominated in the same currencies. The Group has also entered into foreign exchange contracts and cross currency swaps (in various currencies) to hedge the currency exposure of certain overseas investments.

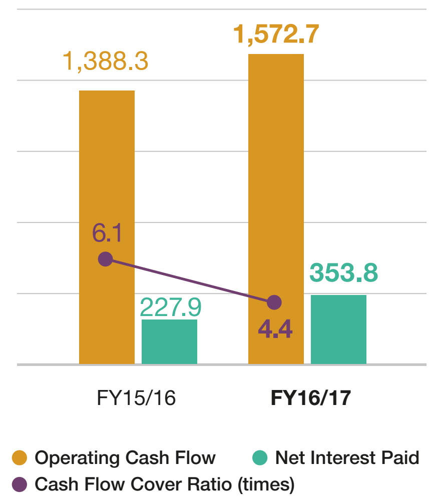
The respective management companies of the REITs have their own Board and Board Committees which guide and manage their capital and treasury positions, including asset-liability management, taking into account, inter alia, their strategies and returns requirements of the unitholders.

Outside of the REITs, the Group seeks to minimise foreign exchange exposure by closely matching its assets and liabilities by currency. The chart shows an analysis of the asset-liability breakdown by currency excluding the consolidation of the listed REITs as at 31 March 2017.

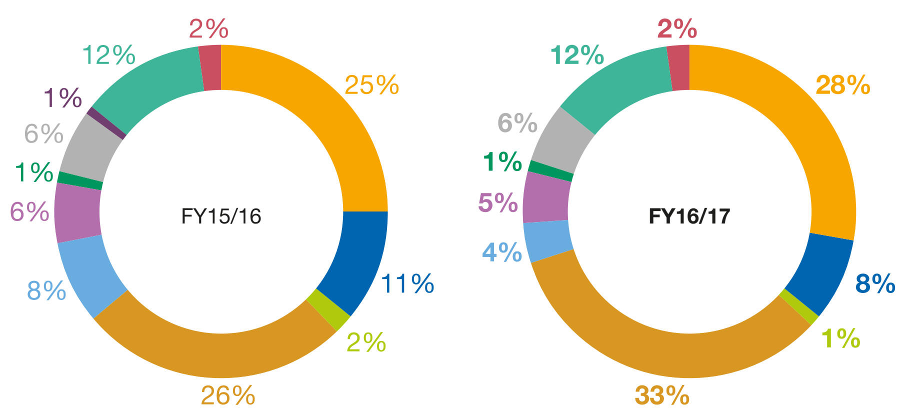
Interest Cover Ratio



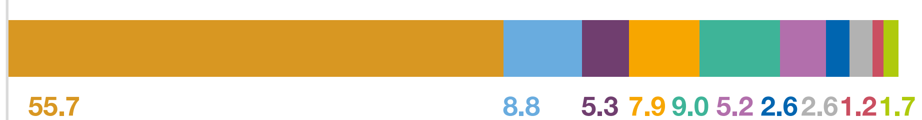
Cash Flow Cover Ratio



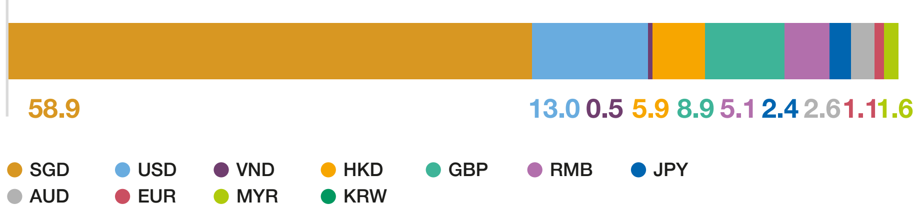
Debt Profile (Currency Breakdown)



Assets (%)



Liabilities[4] & Equity (%)



3 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.

4 Adjusted for foreign exchange swaps and cross currency interest rate swaps.

Operations Review
Singapore Commercial

Mapletree's Singapore Commercial business unit manages a portfolio of real estate assets in Singapore. Some of these are held directly by the Group while others are held under Mapletree Commercial Trust (MCT), a Singapore-listed real estate investment trust (REIT). As at 31 March 2017, the business unit owns and manages about S$9.6 billion in assets. It contributed S$467.5 million and S$60.1 million to the Group's EBIT + SOA[1] and fee income[2] respectively in FY16/17.

Assets Held Directly

Mapletree directly holds and manages a portfolio of commercial real estate assets that include:

- Mapletree Business City I (MBC I) (till August 2016)
- Mapletree Business City II (MBC II)
- HarbourFront Centre
- HarbourFront Towers One and Two
- St James Power Station
- PSA Vista

MBC II, which was completed in April 2016, is the latest addition to Mapletree's portfolio of quality assets in the Alexandra Precinct. This is a further testament of Mapletree's ability to conceptualise, develop and manage a quality portfolio of assets, as well as to create a top-notch business community which attracts leading global companies, such as Google, Medtronic, Pfizer and Motorola to MBC II.

The generous community space and amenities that this distinguished development created for its tenants and visitors to relax and interact, and enjoy the sporting lifestyle, enhances its appeal and the quality of business engagement in this community. To complete the

MBC II houses leading global companies, and is a testament to Mapletree's strength in conceptualising, developing and managing a portfolio of quality assets, as well as creating a top-notch business community.

value chain of curated activities and programmes for our tenants, more new initiatives will be rolled out as more tenants move into the newly completed MBC II. These will complement the ongoing events which are organised by Mapletree, such as futsal matches, arts performances, lunchtime health talks, fitness and workout sessions.

The quality of MBC I and its premium tenants, comprising established government agencies and reputable multinational companies, and coupled with stability of rental income made it an ideal acquisition target for MCT's portfolio. The asset was successfully divested at 99% committed occupancy in August 2016 to MCT, adding a premium asset to MCT's portfolio.

Progress on 18 Tai Seng, a mixed-use development with business 2 (B2) industrial, retail, and office space also reached a key milestone, with the property obtaining its Temporary Occupation Permit (TOP) on 1 November 2016 for the main building. To meet the needs of businesses and the working population in the Tai Seng precinct, the retail centre commenced operations on 21 February 2017 with a committed occupancy of 93%. Satisfying Singaporeans' insatiable appetite for good food, 18 Tai Seng features three one-Michelin-star restaurants – Liao Fan Hawker Chan, Japanese Soba Noodles Tsuta and Tim Ho Wan, together with a host of other popular F&B outlets such as Harry's, Jalan Kayu Prata Café and Bakerzin. Other tenants include NTUC FairPrice, and Junior Champs, thus providing an added convenience for the nearby community. With these, 18 Tai Seng has successfully injected vibrancy into the industrial area, and has become a haven for foodies who patronise the property located within the 15-hectare Paya Lebar iPark for a good meal. Construction of a direct underground linkway between the development and Tai Seng MRT station (CC11) is underway and is expected to be completed in 2H 2017.

At the HarbourFront Precinct, asset enhancement works were completed at HarbourFront Centre in August 2016. Improved modern lift lobbies and upgraded toilets now serve office workers, shoppers and tourist with enhanced comfort and user experience. Enhancement works to rejuvenate the public areas and amenities of HarbourFront Towers are underway, and are expected to be completed before the end of FY17/18.

Mapletree's continued focus on building sustainability saw 18 Tai Seng being awarded the Green Mark Gold certification from the Building and Construction Authority of Singapore (BCA), with HarbourFront Towers and PSA Vista completing its BCA Green Mark Gold and BCA Green Mark re-certification respectively.

Mapletree Commercial Trust

MCT's portfolio comprises five properties in Singapore:

- VivoCity
- MBC I (since August 2016)
- PSA Building (PSAB)
- Mapletree Anson
- Bank of America Merrill Lynch HarbourFront (MLHF)

Since its listing on 27 April 2011, MCT has delivered robust returns to investors. MCT's market capitalisation has increased from S$1.6 billion at listing date to S$4.4 billion as at 31 March 2017. Including distributions paid out since listing, the total return to unitholders is 123.7%. For FY16/17, MCT delivered total shareholder returns of 14.6%, driven by the accretive acquisition of MBC I and the continued healthy performance by VivoCity, Mapletree Anson and PSAB.

Its strategic acquisition of MBC I in August 2016, is accretive to the distribution per unit and net asset value without any income support, and will strengthen MCT's long-term resilience. To finance the acquisition, MCT launched an equity fund raising exercise in July 2016. Strong support from existing and new investors resulted in the private placement being over 3.8 times covered and the preferential offering over 1.5 times covered, raising a total of S$1.04 billion. The successful fund raising effort was recognised as Best Follow-On Offering/Accelerated Bookbuild at the GlobalCapital Asia Regional Capital Markets Awards 2016.

VivoCity continued to outperform amid market headwinds and weaker economic sentiment. Shopper traffic and tenant sales at VivoCity recorded year-on-year (y-o-y) growth of 4.8% and 1.3% respectively. Major leases totalling more than 260,000 square feet of net lettable area were renewed positively. As at 31 March 2017, VivoCity maintained a high committed occupancy of 99.8%.

In conjunction with VivoCity's 10th Anniversary, a series of advertising and promotional activities were organised to drive footfall and increase shopper spend. A second asset enhancement initiative (AEI) was also completed in September 2016. Through better use of space, the REIT manager was able to widen VivoCity's food and beverage offerings. On a stabilised basis, the AEI would generate an estimated return on investment of more than 20%.

VivoCity won the titles of Best Lifestyle Mall, Best Mall (South) and Best Dining Mall (South) at the Her World X Nuyou Mall Awards 2016. It was also a finalist for Best Shopping Centre at the AsiaOne People's Choice Awards 2016, and its "Star Wars: The Force Awakens" event was awarded a finalist for Best Retail Event of the Year (2016) by the Singapore Retail Association.

As a result of the REIT manager's proactive leasing approach, lease restructuring for the second to fifth floor of MLHF was completed and a new tenant secured for part of the sixth floor. Committed occupancy levels for PSAB and Mapletree Anson improved to 98.4% and 100% respectively, from 92.8% and 91.0% a year ago.

VivoCity continued to deliver outstanding results in its 10th year of operations. Despite market headwinds, shopper traffic and tenant sales grew by 4.8% and 1.3% year-on-year respectively.

Market Review and Outlook

According to the Ministry of Trade and Industry, Singapore's economy grew 2.7% y-o-y in the quarter ending 31 March 2017, easing from the 2.9% growth in the previous quarter. Growth is expected to be in the range of 1.0% to 3.0% in 2017.

In the first quarter of 2017, the tough leasing climate has resulted in prime rents in Orchard Road and the suburban areas declining 0.3% over the previous quarter. This marked the ninth and sixth consecutive quarters of declines in prime rents in Orchard Road and the suburban areas respectively. With relatively muted demand expected over the next two quarters, vacancies in most submarkets are expected to increase.

In the same quarter, office rents fell by 1.4% to 1.6% quarter-on-quarter as lingering economic concerns on the slower growth in Singapore's service sector alongside wider economic uncertainty in the region continued to weigh on the Singapore office market. However, there are a few indicators to suggest that the office market in Singapore is close to finding a support level.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.
2 Including REIT management fees.

References:
i Ministry of Trade and Industry, Singapore
ii CBRE Singapore Market View Q1 2017

Operations Review
Singapore Industrial

BTS facility for Hewlett-Packard at Depot Close

The Singapore Industrial business unit manages a portfolio of industrial properties held by the Singapore-listed real estate investment trust (REIT), Mapletree Industrial Trust (MIT).

As at 31 March 2017, the business unit's assets under management was S$3.7 billion. In FY16/17, it contributed S$256.3 million to Mapletree's EBIT[1], and S$45.8 million to fee income[2].

MIT invests in a large and diverse portfolio of 86 industrial properties in strategic locations across Singapore, including Flatted Factories, Hi-Tech Buildings, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd., which seeks to provide unitholders with sustainable and growing returns through proactive asset management, value-creating investment management and prudent capital management.

Achieving Sustainable Returns

Despite the challenging business environment, MIT delivered another set of healthy financial results. Gross revenue and net property income for FY16/17 were S$340.6 million and S$256.8 million, representing year-on-year (y-o-y) increases of 2.7% and 4.8% respectively. Distributable income for FY16/17 was S$205.0 million, up 3.6% from S$197.8 million achieved in FY15/16. Distribution per unit (DPU) increased to 11.39 cents, 2.2% higher than the DPU of 11.15 cents for FY15/16. This was driven by higher rental rates achieved across all property segments with initial contribution from Phase One of the build-to-suit (BTS) development for Hewlett-Packard Singapore (Hewlett-Packard) and lower property expenses.

MIT's average portfolio passing rent increased y-o-y by 1.6% to S$1.91 per square foot per month (psf/mth). Average portfolio occupancy decreased to 92.4% in FY16/17 from 94.1% in the preceding financial year. Through proactive lease management and marketing efforts, MIT achieved a healthy tenant retention rate of 71.0% in FY16/17.

MIT continued to actively diversify funding sources with the successful issuance of S$100 million 3.16% 7-year medium term notes in March 2017. The weighted average all-in funding cost remained stable around 2.6% in FY16/17. About 74.9% of the total debt as at 31 March 2017 had been hedged to mitigate the impact of interest rate fluctuations. The low aggregate leverage ratio of 29.2% as at 31 March 2017 will provide MIT with the financial flexibility to seize growth opportunities.

Growing Hi-Tech Buildings Segment

The timely completion of Phase One of the BTS development for Hewlett-Packard at 1 Depot Close in October 2016 marked another milestone in MIT's strategy to grow the Hi-Tech Buildings segment. The BTS development comprises an 11-storey Hi-Tech Building (Phase One) with gross floor area (GFA) of about 421,000 square feet (sq ft) and a 8-storey Hi-Tech Building (Phase Two) with GFA of about 403,500 sq ft. Phase Two is on track for completion in the second quarter of 2017. The S$226 million[3] redevelopment project includes facilities for manufacturing, product and software development as well as an ancillary office. The redevelopment has a total GFA of over 824,500 sq ft, increasing the utilised plot ratio from 1.3 to 2.5.

The purpose-built facility has been awarded the Building and Construction Authority of Singapore (BCA) Green Mark Platinum Award, the highest accolade from BCA for green buildings.

The lease commitment of 10.5 years from Hewlett-Packard helped to increase MIT portfolio's weighted average lease to expiry to 3.1 years as at 31 March 2017 from 2.8 years as at 31 March 2016.

The S$77 million asset enhancement initiative (AEI) at 30A Kallang Place and Kallang Basin 4 Cluster is on track for completion in the first quarter of 2018. Adding about 336,000 sq ft of GFA, the AEI will involve the development of a new 14-storey Hi-Tech Building and improvement works at existing buildings in the Kallang Basin 4 Cluster. The AEI will benefit from its proximity to Kallang iPark, which is envisioned to become an industrial hub for high-value and knowledge-based businesses.

Extending Track Record in BTS Data Centres

In March 2017, MIT announced that it will be developing a BTS data centre for an established data centre operator at an estimated development cost of S$60 million. The proposed facility will be located in the West of Singapore.

The six-storey purpose-built data centre with GFA of about 242,000 sq ft will be fully leased to the client for an initial lease term of more than 10 years with staggered rental escalations and renewal options. The proposed BTS project is expected to be completed in the second half of 2018.

The proposed site is located in a specialised industrial park for data centres with ready-built infrastructure catered to support multinational companies and enterprises. This BTS project marks MIT's third data centre development and reinforces MIT's strategy to grow the Hi-Tech Buildings segment by providing customised industrial real estate solutions.

Market Review and Outlook

According to the Ministry of Trade and Industry, the Singapore economy grew by 2.7% y-o-y in Q1 2017, easing from the 2.9% growth in the previous quarter. The manufacturing sector expanded by 8.0% y-o-y in the first quarter, moderating from the 11.5% growth in the previous quarter. Growth was driven primarily by the electronics and precision engineering clusters.

The median rental rate for multi-user factory space island-wide in Q1 2017 decreased to S$1.83 psf/mth from S$1.88 psf/mth in the preceding year. For business park space, the island-wide median rent in Q1 2017 decreased to S$3.97 psf/mth from S$4.29 psf/mth a year ago.

Despite positive data about the manufacturing sector in Singapore, the business environment remains uncertain amid global trade uncertainties and rising interest rates. The continued supply of competing industrial space and movement of tenants are expected to exert pressure on rental and occupancy rates. MIT will continue to focus on tenant retention to maintain a stable portfolio occupancy.

An artist's impression of the BTS data centre in the West region of Singapore

1 Earnings before interest and tax (EBIT).
2 Including REIT management fees.
3 Includes a book value of S$56 million (as at 31 March 2014) prior to commencement of redevelopment.

References:
i Ministry of Trade and Industry, Singapore
ii URA/JTC Realis

Operations Review
Logistics

The Mapletree Logistics business unit manages a portfolio of logistics assets held by the Singapore-listed real estate investment trust, Mapletree Logistics Trust (MLT or the Trust), as well as development projects in China, Hong Kong SAR, Japan, Malaysia and Vietnam under MLT's sponsor, Mapletree Investments (Mapletree). As at 31 March 2017, the portfolio of the business unit was valued at S$7.6 billion. The business unit's EBIT + SOA[1] for FY16/17 was S$338.8 million and fee income[2] was S$50.7 million.

The Wodonga Woolworths Regional Distribution Centre is one of the eight Australian properties that MLT acquired in FY16/17

Mapletree Logistics Trust – Strengthening Fundmentals

Against a backdrop of challenging global events such as Brexit, the United States (US) elections and the US Federal Reserve's interest rate hike, MLT's portfolio showed resilience and continued to deliver stable returns in FY16/17.

The Trust's performance was underpinned by a stabilisation in performance of single-user assets that were converted to multi-tenanted buildings in previous years, contributions from asset enhancement initiatives and yield-accretive acquisitions. This was complemented by management's focus on active asset management strategies to achieve high tenant retention and portfolio occupancy. These efforts contributed to stable portfolio occupancy of 96.3% and weighted average lease expiry (WALE) of four years.

Amidst a lacklustre economic environment, gross revenue and net property income (NPI) were S$373.1 million and S$312.2 million respectively, representing a year-on-year growth of 6.6% and 7.3%. The amount distributable to unitholders rose 1.5% to S$186.1 million while distribution per unit gained 0.8% to 7.44 cents. The resilient performance also reflects the benefit of MLT's geographically diversified portfolio, where weaker performance in some countries such as Singapore and South Korea was mitigated by strong performance in other markets like Hong Kong SAR and Australia.

MLT continues to maintain a prudent and disciplined approach on the capital management front. During the year, MLT's balance sheet was strengthened with the issuance of S$250 million perpetual securities. Aggregate leverage was 38.5% while the average weighted debt duration was 3.9 years at end of FY16/17.

Growing Presence in High Growth Markets

In line with its strategy to scale up presence in high growth markets, MLT completed yield-accretive acquisitions in Australia, Malaysia and Vietnam totalling approximately S$313 million.

MLT strengthened its presence in Sydney, Australia, with the A$85 million (~S$87 million) acquisition of four assets in August 2016. Fully leased to established local enterprises from diverse industries, the assets have a WALE of 5.5 years as well as an initial NPI yield of 7.1% with annual escalations. In December, the Trust strengthened its foothold in Australia further by acquiring a portfolio of four properties in Victoria for A$142.2 million (~S$152 million). All four assets, three in Melbourne and one in Wodonga, are fully leased to established Australian companies and multinational corporations with an initial NPI yield of 7.6% and annual rent escalations.

In Malaysia, MLT acquired Mapletree Shah Alam Logistics Park from its Sponsor for MYR160 million (~S$53 million). Located in the highly sought-after logistics area of Shah Alam, the asset is fully leased to international third-party logistics service providers and enjoys an initial NPI yield of 7.5% and built-in annual escalations.

MLT continued to extend its footprint in Vietnam with the acquisition of a third asset in the country. The purchase of Mapletree Logistics Park Binh Duong Phase 2 from its Sponsor at VND339.2 billion (~S$21 million) took place in September 2016. This is MLT's second asset in Binh Duong, a manufacturing hub, and is ideally suited for local distribution or export oriented operations. Offering a healthy initial NPI yield of 9.9% with built-in annual escalations, the property is fully leased, mostly to international companies.

Unlocking Value for Organic Growth

As part of its strategy to unlock value from existing assets through redevelopment, MLT embarked on its third redevelopment project in Singapore at 76 Pioneer Road in August 2015. On track for completion by Q3 FY17/18, when completed, the property will be rebuilt into a five-storey ramp-up facility with modern specifications. At an estimated total development cost of S$100 million, the project will increase the gross floor area (GFA) by 1.8 times to 72,000 square metres (sqm), thereby realising untapped potential and enhancing the yield of the asset.

In China, MLT will commence the redevelopment of Ouluo Logistics Centre in FY17/18. Redevelopment of the property into a modern two-storey ramp-up logistics facility will be carried out in two phases. At an estimated cost of S$70 million, the redevelopment will increase the GFA by 2.4 times to 80,700 sqm, improving both the value and competitive positioning of the asset.

Logistics Development – Scaling Up In Asia

In FY16/17, Mapletree secured 10 new logistics development projects in China, with a combined GFA of 852,000 sqm. These projects are located in fast-growing cities such as Tianjin, Chongqing and Chengdu.

An artist's impression of the redevelopment project at 76 Pioneer Road, due to be completed by Q3 FY17/18

During the year, Mapletree completed 10 development projects in China and one in Vietnam, with a combined GFA of 745,000 sqm.

This brings the total number of Mapletree's logistics developments in China, Hong Kong SAR, Japan, Malaysia and Vietnam to 39, with a combined GFA of approximately 3.9 million sqm. Of these, 19 are currently under construction. When completed and stabilised, and in the event the Sponsor divests these properties, they will be offered to MLT for acquisition.

Market Review and Outlook

Recent economic data suggest a pickup in growth momentum in the Asian economies, with the International Monetary Fund projecting Asia to grow at a faster rate of 5.5% in 2017, compared to 5.3% in 2016. However, growth prospects for the region continue to be clouded by geopolitical tensions and trade uncertainties, as well as increasing volatility in currency and financial markets.

Nevertheless, demand for logistics space is expected to remain healthy in most markets where MLT operates, underpinned by rising domestic consumption, the modernisation of supply chains and the rapid growth of e-commerce. In some markets with significant increase in new supply of warehouse space, such as Singapore and certain sub-markets in China, supply-side pressure will likely continue to weigh on rental rates and occupancy in the short term. However, other markets such as Hong Kong SAR, Australia and Vietnam are expected to continue to perform well, supported by healthy supply-demand dynamics.

Mapletree will continue with its strategy of pursuing opportunities for greenfield developments, especially in markets where quality logistics facilities are limited. Concurrently, it will focus on asset enhancements to drive organic growth and yield-accretive acquisitions to strengthen the portfolio. This will be accompanied by disciplined capital management to mitigate the impact of interest rate and foreign exchange volatilities.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.
2 Including REIT management fees.

Reference:
i International Monetary Fund, World Economic Outlook, April 2017

Operations Review
China and India

Mapletree Business City Shanghai and VivoCity Shanghai, China

Mapletree's China and India business units seek to capitalise on real estate opportunities in these two large emerging economies. The business units develop and manage real estate assets in China and India, and oversee two private real estate funds, namely Mapletree India China Fund (MIC Fund) and Mapletree China Opportunity Fund II (MCOF II). As at 31 March 2017, the business units account for S$2.7 billion of the Group's total assets under management (AUM). Its EBIT + SOA[1] and fee income contributions were S$46.4 million and S$54.2 million respectively in FY16/17.

China

Located at the heart of southwest Shanghai's emerging Xinzhuang Central Business District, the construction of mixed-use development Mapletree Business City Shanghai (MBC Shanghai) and VivoCity Shanghai continued in FY16/17. The office component – MBC Shanghai – offers a total of 200,000 square metres (sqm) of international Grade A specifications spread across seven blocks, catering to the rising demand for quality office space from both multinational corporations and large domestic companies. Phase 1 of the mixed-use development, comprising four office buildings and a business centre of MBC Shanghai, obtained temporary occupation permit in October 2016. In March 2017, one of the completed office blocks comprising 35,000 sqm of gross floor area (GFA) was sold to a China fund for approximately RMB1 billion. Phase 2 – VivoCity Shanghai, a retail mall with total GFA of 120,000 sqm located adjacent to MBC Shanghai, was opened in May 2017. The final Phase 3 which comprises the remaining three office buildings of MBC Shanghai is scheduled to complete by end of 2017.

Construction of Mapletree Ningbo Mixed-Use Development project continued in FY16/17, with pre-sales for the first phase consisting six residential buildings underway. Scheduled for completion in 2019, the development spans about 200,000 sqm and comprises a total of 13 residential blocks, a retail mall, street shops and a 25,000 sqm standalone medical centre.

In Foshan's Nanhai district, sales of the first phase of the residential development in Nanhai Business City Phase 4 (NBC 4) progressed further, with close to 100% of the 1,366 units sold by 31 March 2017. The second phase of the residential development will be eligible for pre-sales in the second half of 2017. The NBC 4 development is well complemented with shophouses and community amenities, as well as the South China Singapore City International Education Zone. Officially opened in January 2017 by Singapore's Minister of State for Manpower, this education zone spanning 40,000 sqm is home to South China flagship campuses from EtonHouse International, Crestar Education Group, National University of Singapore Business School and Guangdong University of Foreign Studies.

In March 2017, Mapletree successfully divested Silver Court in Shanghai. The mixed-use property comprises 30,000 sqm of office and retail space, as well as 324 units of serviced apartments.

India

Global Technology Park (GTP) is Mapletree's first property in India. In addition to a fully leased building of 25,700 sqm, GTP consists of 147,260 sqm of ready-build and build-to-suit IT space developed over two phases. The first phase of this development has been completed and has achieved 100% occupancy with tenants from leading global IT and Research and Development (R&D) companies, many of which are NASDAQ-listed. The security infrastructure, which is one of the top priorities for most tenants, is undergoing further upgrading and will feature many firsts for an IT Park in Bangalore.

Construction of the second phase is on track and expected to be completed by December 2017. Comprising two 12-storey Grade A office blocks and offering a total net lettable area (NLA) of approximately 69,677 sqm with large column-free floor plates when completed, it will also cater to companies looking for quality office space along the prime Outer Ring Road of Bangalore.

An artist's impression of Global Technology Park Phase 2 in India, due to be completed in December 2017

Market Review and Outlook

China

China's gross domestic product grew 6.7% in 2016, the weakest pace in 26 years but still within the government's target range of 6.5%-7.0%. Real estate transaction volumes hit a record high of RMB209 billion in 2016, up 52% year-on-year. Domestic investors accounted for more than 86% of transactions. The market was largely driven by excess liquidity, due to the availability of cheap financing coupled with government controls on capital flight. Consequently, commercial real estate faced yield compression though it still outperformed other asset classes on a risk-adjusted basis.

Official policy directions caused volatility in the residential market. De-stocking and credit growth spurred the upturn in the first three quarters, but were overtaken by tightened property purchases and stricter credit controls in the fourth quarter as the government expressed concerns about inflation and over-leveraging. Since this affected speculative demand, the impact on second-tier cities was more pronounced.

The government announced in March 2017 that it intends to continue with its prudent monetary policy. With liquidity tightening, 2017 will probably see an adjustment, with the average selling price holding steady and a lower sales volume in the residential sector. Commercial properties, on the other hand, will likely continue to be sought after as a bond-like investment alternative.

Despite the challenging investment climate, Mapletree is committed to scale up its presence in China when appropriate opportunities present themselves in first- and second-tier cities.

India

India remains one of the fastest growing major economies in the world. The Indian economy expanded by 7.3% in the quarter ended September 2016 compared to 7.1% in the previous quarter. The World Bank has adjusted India's growth forecast downwards from 7.6% to 7.0% owing to the unexpected demonetisation of large denomination currency notes. However, its long-term projection remains unchanged.

Retail inflation decelerated to 3.41% in December against 3.63% a month ago, on the back of lower food inflation. Meanwhile, India's current account deficit remains manageable, at 0.6% of gross domestic product in the third quarter, up slightly from 0.3% in the previous quarter.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.

References:
i JLL 2016 China Property Investment Market Review
ii China Real Estate Index System: Real Estate Market Intelligence for Main Cities in China 2016
iii World Bank Group, Global Economic Prospects, January 2017: Weak Investment in Uncertain Times
iv Ministry of Statistics and Programme Implementation, India

Operations Review
North Asia & New Markets

The North Asia & New Markets business unit focuses on deepening Mapletree's business in Hong Kong SAR and Japan and expanding into new markets such as the United States (US), Australia and Europe – specifically Germany and the United Kingdom (UK). It also explores opportunities in new real estate asset classes in these countries.

The business unit includes Mapletree Greater China Commercial Trust (MGCCT), two Japan-focused private equity funds, MJOF and MJLD, and a fund comprising student accommodation assets in the US and the UK, Mapletree Global Student Accommodation Private Trust (MGSA P-Trust).

With owned and managed assets of S$14.5 billion as at 31 March 2017, the business unit contributed S$530.7 million to the Group's EBIT + SOA[1], and S$65.9 million in fee income[2] in FY16/17.

New Markets

In March 2017, Mapletree successfully raised US$535 million (~S$746.2 million) for MGSA P-Trust, the first such private trust in Singapore with a global student accommodation portfolio within a three-month period. Comprising 35 student accommodation assets of over 14,000 beds located in the UK and the US, the fundraising was well-received by investors consisting of reputable institutional investors as well as high net worth individuals from private banks. Proceeds from MGSA P-Trust will be used to pursue new growth opportunities.

Green Park, a 79-hectare business park in Reading and Mapletree's largest investment in the UK

Australia

Mapletree's six office developments in Australia were fully leased as at 31 March 2017. With a total net lettable area (NLA) of about 74,000 square metres (sqm), the buildings enjoy strategic locations in Sydney, Perth and Brisbane. Also in Brisbane, Mapletree owns a 162-unit serviced apartment managed by Oakwood Asia Pacific (OAP).

Europe

Despite the uncertainty post the Brexit referendum in June 2016, the Group's commercial properties in the UK, consisting of four office buildings in London, Manchester, Aberdeen and Bristol respectively and a 79-hectare (ha) business park in Reading, continued to see healthy leasing activity, with 94% occupancy as at 31 March 2017. The Group-owned office building in Germany also continues to be fully let.

During the financial year, Mapletree acquired Green Park, a 79-ha freehold business park in Reading, the UK. Comprising 19 Grade A office buildings and development land, it offers 1.4 million square feet (sq ft) of NLA with the potential to add 880,000 sq ft of NLA if fully developed. Mapletree also acquired The Gateway, a 519-bed student accommodation property in Lincoln. The property is one of the 25 UK student accommodation assets in the MGSA P-Trust.

The US

In November 2016, Mapletree had acquired seven student accommodation properties[3] with close to 6,000 beds across six states in the US which later formed part of the syndication for MGSA P-Trust.

In February 2017, Mapletree acquired Oakwood Worldwide (Oakwood) as part of its long-term strategy to strengthen its corporate housing / serviced apartment business in the US, Europe and Asia Pacific. This follows an earlier collaboration in 2014 which saw Mapletree acquire a 49% stake in Oakwood's Asia Pacific operating arm, OAP.

North Asia

MGCCT

MGCCT reported a stable distribution per unit of 7.34 cents[4] paid to unitholders for FY16/17, compared with 7.27 cents for FY15/16 despite the challenging business environment in Hong Kong SAR and China. This was mainly due to increased rental income from Festival Walk and Sandhill Plaza (acquired in June 2015), partially offset by higher property tax for Gateway Plaza effective July 2016 and higher finance costs.

As a result of the REIT manager's proactive portfolio management, a high portfolio occupancy rate of 98.6% was achieved as of 31 March 2017. Festival Walk's retail leases with expiry dates in FY16/17 were renewed or re-let at an average rental reversion of 12% while the leases at Gateway Plaza and Sandhill Plaza recorded rental reversions averaging 10% and 16% respectively.

Hong Kong SAR

Construction of Mapletree Bay Point, a Grade A office building with a gross floor area of 61,344 sqm in Kowloon East is on track for completion in the later part of 2017. Pre-leasing activities have commenced.

Japan

Located in Greater Tokyo and Yokohama areas, the nine properties under the Japan-focused office fund, MJOF, enjoyed a high occupancy of 95% as at 31 March 2017. MJOF will continue to seek investment opportunities around the fringe of Tokyo CBD as well as in Greater Tokyo, Osaka and Nagoya.

Meanwhile, MJLD, a logistics development fund, has invested in four logistics facilities at a development cost of JPY59.2 billion (~S$0.7 billion) during the year, bringing the total number of assets under MJLD to 11. Of the 11 properties, two properties (Sakai in Osaka Prefecture and Ashikaga II in Tochigi Prefecture) were completed during the year. We have secured several major third party logistics service providers as tenants.

Meanwhile, the Group's 48-unit serviced apartment building in Azabudai, Tokyo, was completed in March 2017 and is expected to be opened in May 2017. Another 175-unit serviced apartment asset in Yokohama is under construction and is expected to be completed in early 2020.

In Namba, Osaka the retail project with an NLA of about 20,000 sqm broke ground in March 2017. Upon completion in 2019, it will be leased on a long term basis to one of Japan's largest electronic retailers.

Market Review and Outlook

Australia

Australia economy continued to grow in 2016 as the economy transitions to broader-based growth that is led by an increase in investment in non-resource sector, resulting in the economy grew by 2.4%. Looking ahead, the lower Australian dollar will boost the tourism and education sectors, which will bring positive impact on the property sector.

The US

The US economy grew at 2.1% in 2016 with strong economic fundamentals and a pro-growth administration should keep property markets robust in 2017 and 2018.

Europe

The UK economy grew by 1.8% in 2016. The UK government is expected to continue growth stimulus through monetary policy. In Germany, GDP grew by 1.9% for 2016. Germany's GDP growth is likely to remain robust through 2017, driven by higher private and government spending. Economic growth for the Euro zone is projected to remain low and stabilise at above 1.5% in the next two years.

Greater China

China's economy grew by 6.9% in Q1 2017. GDP is expected to be supported by continued policy stimulus. With the stable economic outlook, demand for office spaces in Beijing and Shanghai is expected to remain resilient.

13th & Olive in Eugene, Oregon, one of the US student housing properties under MGSA P-Trust

Hong Kong SAR's economy expanded by 1.9% in 2016, and is projected to grow by up to 3% in 2017. Retail spending by local shoppers is expected to remain resilient in 2017, supported by a healthy employment market and steady wage growth. Office leasing demand is expected to be focused on prime CBD area and cost-effective quality space in Kowloon East.

Japan

Real GDP growth grew by 1.0% in 2016. Moderate economic recovery in Japan is expected to continue through to 2018. The office sector continues to be the most heavily transacted sector as it once again saw both the greatest volume and the highest number of, transactions during the first quarter of 2017. Overall demand for logistics space continues to grow, driven by e-commerce and third party logistics service providers.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses inclusive of Oakwood Worldwide.
2 Including REIT management fees.
3 As of 31 March 2017, Mapletree is in the process of acquiring additional three student accommodation assets in the US (Campus Court at Knollwood in Kalamazoo, Michigan; Cottages of Boone in Boone, North Carolina and Coronado Place and Towers in St. Louis, Missouri). These will add another 2,000 beds.
4 The full-year distribution per unit (DPU) is the sum of the first-half and second-half DPU paid to the unitholders for the financial year based on the number of issued units as at the end of the respective half-year periods. The full-year DPU, as shown in the full-year results announcements (FY16/17: 7.320 cents, FY15/16: 7.248 cents), was calculated based on the income available for distribution for the year over the number of issued units as at the end of the year.

References:
i CBRE, Australia Office (Q1 2017)
ii Cushman & Wakefield, Japan Investment (Q1 2017)
iii The Government of the Hong Kong Special Administrative Region, "Economic Outlook for 2017 and the Medium Term" (22 February 2017)

Operations Review
South East Asia

Kumho Asiana Plaza, acquired in June 2016

The South East Asia business unit (SEA) focuses on investing in well-located developments and income-yielding investment properties in the region outside Singapore, with the aim of building scalable capital management platforms that generate sustainable returns.

It holds the Group's investments in the retail, office, serviced apartments, residential, industrial, and mixed-use developments in Vietnam and Malaysia.

The business unit's portfolio also includes the provision of mezzanine financing to real estate developers. Mapletree is on the lookout for investment opportunities in other markets such as Indonesia.

In FY16/17, the Group's investments in SEA contributed S$51.8 million to Mapletree's EBIT + SOA[1]. It owns and manages S$1,253.6 million in assets as at 31 March 2017.

Vietnam

In June 2016, Mapletree acquired Kumho Asiana Plaza in District 1, Ho Chi Minh City (HCMC), Vietnam, a prime mixed-use asset with close to 146,000 square metres (sqm) of gross floor area (GFA), comprising a 21-storey Grade A office building, 32-storey serviced apartment tower, 21-storey hotel, and a retail podium with food and beverage offerings. This is Mapletree's largest acquisition in Vietnam to date for a completed, income-producing property.

SC VivoCity celebrated its first anniversary in September 2016. As the first phase of Saigon South Place, a 4.4 hectare mixed-use development in HCMC's affluent District 7, the retail mall has a strong occupancy of 95% as at 31 March 2017 and is home to international brands such as Topshop, Miss Selfridge, and Dorothy Perkins.

Mapletree Business Centre, the second phase of Saigon South Place, was completed in November 2016. Singapore's Prime Minister Mr Lee Hsien Loong, together with Vietnam's Deputy Prime Minister Mr Trinh Dinh Dung, officiated its grand opening in March 2017. With 28,000 sqm of GFA featuring large, column-free floor plates, raised floors, high-ceilings and an all-glass façade, the 17-storey Grade A office tower has attracted strong leasing interest from both international and local tenants.

Construction has since started for the third phase of Saigon South Place, comprising an internationally operated serviced apartment tower managed by Oakwood Asia Pacific and RichLane Residences, a high-rise residential tower. Both towers are scheduled for completion in the first quarter of 2018. There are also plans for two more commercial towers in the precinct.

In addition, Mapletree owns Pacific Place, a mixed-use building in Hanoi, and CentrePoint, an office building with a retail podium in HCMC. Mapletree further owns and manages Mapletree Business City @ Binh Duong, an industrial and business park development.

Malaysia

In FY15/16, Mapletree acquired Jaya Shopping Centre in Petaling Jaya, Kuala Lumpur. As part of ongoing efforts to reposition the mall, new tenants such as MR. D.I.Y. and OC Outlet were secured in FY16/17 to better serve the needs of nearby residents and office workers.

Mapletree provides mezzanine loan financing for three residential projects in Kuala Lumpur and Selangor. In March 2016, Phase One of Lexa Residence @ The Quartz located in Wangsa Maju, Kuala Lumpur was launched for sale. The small but well-planned units were well received by home buyers, with 99% of the units sold by December 2016. In January 2017, Phase Two was soft launched, and as at the end of March 2017, 89% of the units were booked.

Singapore's Prime Minister Lee Hsien Loong at the grand opening of Mapletree Business Centre

Market Review and Outlook

Vietnam

Vietnam achieved Gross Domestic Product (GDP) growth of 6.2% in 2016, lower than the target of 6.7% set at the beginning of the year. This was a result of subdued commodity prices and adverse weather conditions which affected agricultural production. Inflation in 2016 was 4.7%, lower than the 5.0% target set by the government.

Overall, economic growth continued to be strong with foreign direct investment increasing by 7.4% year-on-year (y-o-y). Inflation was under control, and both interest and exchange rates were stable. GDP growth for 2017 is projected at 6.7% and inflation is expected to be lower than 4.0%.

In HCMC, the Grade A office market maintained a healthy occupancy rate of 92.0% in 2016, a slight decrease compared to 95.3% in 2015. In Hanoi, the Grade A and Grade B office sectors performed moderately with occupancy rates of 84.2% and 83.5% respectively in 2016, where education, IT, insurance and banking industries continued to spearhead demand for both sectors.

The residential market in HCMC remained stable with 34,934 units sold in 2016, a 3.5% decrease y-o-y. The mid-range segment continued to lead, making up 47.7% of launched units, and 43.7% of sold units in 2016, compared to 40.4% and 38.8% respectively in 2015. The affordable segment achieved the highest price growth of 7.3% y-o-y, followed by the high-end segment with 4.4%.

Malaysia

Malaysia's GDP grew by 4.2% in 2016 as compared to 5.0% in 2015. While economic headwinds are likely to persist in 2017, private consumption, supported by low unemployment and government income-support measures, is expected to generate GDP growth of 4.3%.

The residential segment in 2016 saw a net take-up of 2,624 prime and luxury residential units in Kuala Lumpur, lower than the net supply of 3,388. On 8 September 2016, the government introduced an initiative allowing residential property developers to offer loans to purchasers at up to 12% or 18% interest, depending on whether collateral is provided. Activity in the residential market is expected to remain subdued in 2017 due to affordability issues as well as stringent bank lending conditions that saw the approval rate for residential loans decline by eight percentage points y-o-y to 42.3% in 2016.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation, SOA gains or losses relating to disposal, foreign exchange and derivatives gains or losses.

References:
i General Statistics Office of Vietnam
ii Ministry of Planning and Investment – Foreign Investment Agency (FIA) Vietnam
iii CBRE – Vietnam Q4 2016
iv Bank Negara Malaysia
v WorldBank
vi Retail Group Malaysia
vii JLL REIS – Kuala Lumpur Residential Q4 2016

Investment Activities & Fund Management

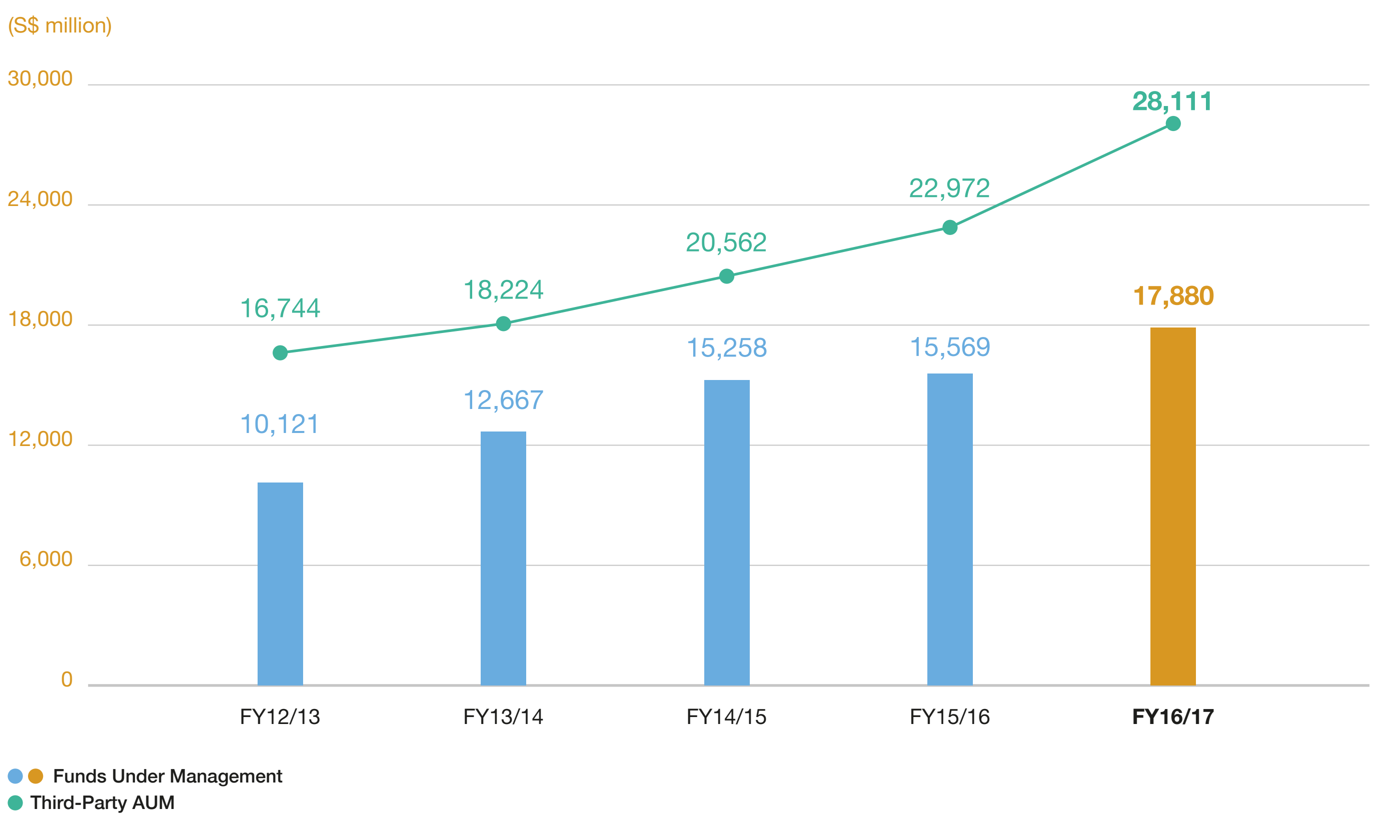
Mapletree's capital management business focuses on the management of public-listed real estate investment trusts (REITs) and private real estate funds. Through a wide array of investment platforms, the Group offers real estate investment opportunities across diversified asset classes to meet different needs and risk profiles of both institutional and retail investors.

Mapletree has built up a wealth of experience in the real estate capital management market. The Group has managed or been managing 13 capital management vehicles on behalf of many of the world's top institutional investors including sovereign wealth funds, pension funds, insurance companies and private investors. Our real estate portfolio offers investors exposure to diversified, geographical-focused and sector-focused portfolios across the public and private real estate markets.

The Group has built a strong reputation as an industry leader in the Singapore REIT market and private fund management business with origination, structuring and fundraising capabilities. Currently, Mapletree manages four Singapore-listed REITs and six private funds with combined funds under management of over S$17 billion. In the last decade, Mapletree has grown its assets under management (AUM) by more than seven times.

As at 31 March 2017, Mapletree had AUM of S$39.5 billion, 71% of which are third-party managed assets. In line with our business objective to deliver consistent and high returns, Mapletree constantly seeks new opportunities to launch new capital management platforms and focuses on building lasting relationships with its capital partners by leveraging its strong pipeline and performance of real estate assets.

Five-Year Growth in Third-Party AUM & Funds Under Management



Successfully Raised New Private Fund – Mapletree Global Student Accommodation Private Trust (MGSA P-Trust)

Following the successful launch of MJOF and MJLD in 2014, the Group continued to expand its range of private funds in FY16/17 with a global student accommodation private trust which raised a total of US$535 million (~S$746.2 million) in capital commitments. Despite the competitive fundraising environment, the private trust attracted strong investor support from institutional investors and high net worth individuals from private banks. MGSA P-Trust aims to generate diversified, strong and sustainable income yields with an attractive total return by investing in income-generating student accommodation assets in the United Kingdom and the United States (US).

Active Acquisitions of Mapletree Private Funds

During the year, the private real estate funds managed by Mapletree have been actively acquiring and deploying commitments. In March 2016, MJLD, a Japan-focused logistics development fund, acquired a logistics development asset in Kobe City in Greater Osaka at an estimated total development cost of JPY16.1 billion (~S$202.3 million). This is in addition to three other logistics development assets which MJLD invested in during the year.

These four acquisitions are in line with MJLD's fund objective of investing in high quality logistics assets to generate an attractive total return for investors. To date, MJLD has invested in 11 logistics assets and will continue to seek investment opportunities in good quality logistics assets in Japan. In addition to MJLD and MGSA P-Trust, Mapletree manages four other funds – a Japan-focused office private fund MJOF, Mapletree China Opportunity Fund II (MCOF II), Mapletree India China Fund (MIC Fund) and CIMB-Mapletree Real Estate Fund 1 (CMREF1).

Delivering Stable Returns Backed by Strong Sponsor

As Mapletree continues to syndicate new private funds to meet investors' needs, it is mindful to deliver strong and sustainable returns to investors, including via its listed platforms. Strengthening the Group's capital management capability is an important strategy to its business model. The Group's four REITs have performed strongly, having reported credible earnings and consistently delivered strong returns to its investors since their respective initial public offerings. This demonstrates the high quality of Mapletree's REITs and their portfolios, as well as Mapletree as a committed and strong sponsor.

The Group's four Singapore-listed REITs, Mapletree Greater China Commercial Trust, Mapletree Commercial Trust, Mapletree Industrial Trust and Mapletree Logistics Trust, performed strongly, achieving an annual distribution per unit yield of between 6.1% and 7.2% in FY16/17.

Establishing Strategic Partnerships for New Asset Classes

In the past three years, Mapletree has invested in new asset classes such as student accommodation, corporate housing / serviced apartment. To grow its corporate housing / serviced apartment business further, Mapletree acquired Oakwood Worldwide (Oakwood), a premier global provider of corporate housing / serviced apartment solutions in February 2017. The acquisition covers all of Oakwood's global operations and follows an earlier collaboration in 2014 which saw the company acquire a 49% stake in Oakwood's Asia Pacific operating arm, Oakwood Asia Pacific, and make its first investment in a corporate housing property in the US during the year.

As at 31 March 2017, Mapletree owns nine corporate housing / serviced apartment properties in the US and one corporate housing / serviced apartment in Australia. In addition to these, Mapletree has two corporate housing / serviced apartment properties in Japan and one more in Vietnam under development. All Mapletree-owned service apartments are managed by Oakwood, a wholly owned subsidiary of Mapletree.

For MGSA P-Trust, Mapletree has partnered leading local operator providers with considerable experience to manage the fund's portfolio of student accommodation assets.

To achieve an optimal capital structure, the Group will continue to grow its capital management business by bringing new private funds and REITs to market. However, while doing so, it remains mindful to align the development of current and new products with investors' evolving investment requirements.

Accolades

In September 2016, Mapletree was ranked sixth in the 2016 APAC Fund Manager Guide and second among Asia-based fund managers according to PERE magazine, a leading publication for the world's private real estate markets. The ranking is based on capital raised for Asia-Pacific focused private real estate investment vehicles between January 2011 and March 2016. Prior to this, Mapletree was ranked eighth in the 2014/2015 APAC Fund Manager Guide and fifth among Asia-based fund managers.

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[1]
Private Funds – Existing						
MGSA P-Trust	Established with the objective to invest in an attractive and resilient income-producing student accommodation portfolio in the UK and the US.	2017	The UK & the US	Student Accommodation	5	US$535 million (~S$746.2 million)
MJOF	Established with the objective of generating a stable and recurring income yield with an attractive total return, by investing predominantly in income-generating office spaces located primarily on or around the fringe of Tokyo CBD and within the Greater Tokyo area.	2014	Japan	Office Space	5	JPY65 billion (~S$816.6 million)
MJLD	Established with the objective of generating attractive total returns by investing in logistics development assets in Japan.	2014	Japan	Logistics	5	JPY51 billion (~S$640.7 million)
Mapletree China Opportunity Fund II (MCOF II)	Established with the objective of maximising total returns by investing in a portfolio of development projects and projects with value enhancement potential located in Tier 1 and Tier 2 cities in China.	2013	China	Commercial, Industrial, Residential & Mixed-use	9	US$1,400 million (~S$1,952.6 million)
Mapletree India China Fund (MIC Fund)	Established with the objective of maximising total returns by acquiring, developing and realising real estate projects in India and China.	2008	India & China	Commercial & Mixed-use	10	US$1,158 million (~S$1,614.4 million)
CIMB-Mapletree Real Estate Fund 1 (CMREF1)	Established to make direct investments in development and/or investment assets, real estate investment products and listed real estate securities in Malaysia.	2005	Malaysia	Commercial & Residential	12	MYR402 million (~S$126.9 million)

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[1]
Private Funds – Fully realised						
Mapletree Industrial Fund (MIF)	Established with the objective of investing in industrial properties in Asia for yield and appreciation. Fully realised and achieved 1.5x multiple and net IRR[2] of 15.1%.	2006	Pan Asia	Industrial	Realised	US$299 million (~S$417.0 million)
Mapletree Industrial Trust – Private (MITP)	Held the S$1.71 billion of industrial assets acquired from JTC in 2008. Fully realised and achieved 1.5x multiple and net IRR[2] of 19.1%.	2008	Singapore	Industrial	Realised	S$708 million
Mapletree Real Estate Mezzanine Fund (MREM)	Focused on originating and executing real estate mezzanine loans in Asia. Fully realised in FY07/08 and achieved 1.2x multiple and net IRR[2] of 25.3%.	2005	Pan Asia	All	Realised	S$90 million
Public Listed – REITs						
Mapletree Greater China Commercial Trust (MGCCT)	REIT investing in a diversified portfolio of income-producing commercial real estate in Greater China[3].	2013	Greater China	Commercial		S$3,636 million
Mapletree Commercial Trust (MCT)	REIT investing on a long-term basis in a diversified portfolio of office and retail properties in Singapore.	2011	Singapore	Commercial		S$3,957 million
Mapletree Industrial Trust (MIT)	REIT investing in a diversified portfolio of income-producing properties used for industrial purposes in Singapore.	2010	Singapore	Industrial		S$2,533 million
Mapletree Logistics Trust (MLT)	First Asia-Pacific focused logistics REIT in Singapore, with the principal strategy of investing in a diversified portfolio of income-producing logistics real estate and real estate related assets in Asia-Pacific.	2005	Asia-Pacific	Logistics		S$2,588 million

1 Total fund size for private funds; NAV attributable to unitholders for listed REITs as at 31 March 2017.
2 After expenses, taxes and base fee but before carried interest.
3 MGCCT's investment mandate includes Hong Kong SAR, Tier 1 cities in China (Beijing, Guangzhou and Shenzhen) and key Tier 2 cities in China (Chengdu, Chongqing, Foshan, Hangzhou, Nanjing, Suzhou, Tianjin, Wuhan and Xi'an).

Sustainability Report

As a leading real estate development, investment and capital management company headquartered in Singapore, Mapletree Investments Pte Ltd (Mapletree) is pleased to present its inaugural Sustainability Report (SR) for the period from 1 April 2016 to 31 March 2017 (FY16/17).

Environmental, social and governance (ESG) aspects are widely recognised by businesses and increasingly important to the stakeholders, therefore Mapletree strives to manage the material ESG factors relevant to its operations to ensure the long-term resilience of its business while protecting the environment and upholding social well-being.

About this Report

This report contains information on the environmental, social and governance practices across the Group[1]. Environmental data disclosed in this report relates to properties within Mapletree's non-listed portfolio in Singapore. The four listed real estate investment trusts (REITs), namely Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), Mapletree Commercial Trust (MCT) and Mapletree Greater China Commercial Trust (MGCCT) have published their own Sustainability Reports as part of their respective Annual Reports. Mapletree will publish its Sustainability Report on an annual basis.

This report addresses some of the requirements prescribed by the Singapore Exchange (SGX) Listing Rules – Sustainability Reporting Guide, and makes reference to the Global Reporting Initiative (GRI) Standards (2016). The GRI Standards are one of the global best practice guides for reporting on a range of economic, environmental, social and governance factors.

Sustainability Governance

Mapletree's sustainability management comes under the purview of its Sustainability Steering Committee (SSC), which is co-led by the Deputy Group Chief Executive Officer, and the Head of Group Corporate Services and Group General Counsel. The SSC includes the four Chief Executive Officers (CEOs) of the REIT managers and other members of the Group's Senior Management team. The SSC develops sustainability strategies and manages overall sustainability performance.

The SSC is supported by the Sustainability Working Committee (SWC) which comprises senior management representatives across business units and functions. The SWC implements, executes and monitors policies and procedures within the sustainability framework across the organisation.

The Board of Directors (Board) is updated on the key material factors identified by stakeholders and the sustainability management performance of Mapletree.

Materiality Assessment

A formal group-wide materiality assessment exercise was conducted in FY16/17, which took reference from the GRI Standards' (2016) Materiality Principle. The assessment, facilitated by an independent sustainability consultant, comprised a three-step process to identify, prioritise and validate ESG factors. Key internal stakeholders, including the SWC, responded to an online survey to identify stakeholders' concerns that are significant to the business. The SWC then participated in a workshop to rank these factors. The final evaluation was a validation session with the SSC.

During the materiality assessment, factors such as industry best practices, global and local emerging trends, and business risks that were identified within the Group's Enterprise Risk Management (ERM) framework were considered. A list of eight sustainability factors was identified and presented to the Mapletree Board in FY16/17.

Material factors

Economic	1. Economic performance[2]
Environment	2. Energy 3. Water
Social	4. Health and safety 5. Talent retention 6. Local communities
Governance	7. Anti-corruption[3] 8. Compliance with laws and regulations[3]

1 Group refers to Mapletree and its subsidiaries.
2 Refer to the Financial Review and Financial Statements sections for more details.
3 Discussed briefly in this report. Refer to the Corporate Governance and Risk Management sections for more details.

Environment – Sustainable Buildings

The Group is committed to minimising the environmental impact of its business operations and does so through various eco-efficient initiatives.

The Building and Construction Authority (BCA) Green Mark Scheme was launched to spearhead measures to meet the national target of having at least 80% of the buildings in Singapore meet its environmental sustainability standards by 2030.

Systems have been implemented to measure and track environmental performance across all properties in Singapore which Mapletree has operational control over. The Property Management department monitors the monthly utilities consumption of the properties to identify opportunities to improve energy and water efficiencies.

The Group establishes environmentally friendly practices for the planning, design, construction and operation of its properties. As of 31 March 2017, six of the Group's properties in Singapore had been accorded the BCA Green Mark Platinum Awards, the highest accolade for green buildings.

In Mapletree's Singapore offices, the ongoing "Mapletree Goes Green" initiative seeks to encourage employees to adopt green practices such as using refillable water bottles and printing on both sides of paper. Mapletree also participates in environmental sustainability awareness programmes, such as annual Earth Day and Earth Hour events. Going forward, Mapletree will continue to improve energy and water conservation.

In addition, the Group's projects in Asia have received four Leadership in Energy and Environmental Design (LEED) certifications and five pre-certifications, an internationally well-regarded green building certification programme that recognises best-in-class building strategies and practices.

Property	**Country**	**BCA Green Mark Award**
Mapletree Business City II (Mapletree)	Singapore	Platinum
HarbourFront Centre (Mapletree)	Singapore	Platinum
Mapletree Anson (MCT)	Singapore	Platinum
Mapletree Business City I (MCT)	Singapore	Platinum
Build-to-suit project for Hewlett-Packard Singapore (MIT)	Singapore	Platinum
26A Ayer Rajah Crescent (MIT)	Singapore	BCA-IDA Platinum
PSA Building & Alexandra Retail Centre (MCT)	Singapore	Gold^{PLUS}
18 Tai Seng (Mapletree)	Singapore	Gold
HarbourFront Towers One and Two (Mapletree)	Singapore	Gold
Bank of America Merrill Lynch HarbourFront (MCT)	Singapore	Gold
VivoCity (MCT)	Singapore	Gold
978 & 988 Toa Payoh North (MIT)	Singapore	Gold
K&S Corporate Headquarters (MIT)	Singapore	Gold
The Signature (MIT)	Singapore	Gold
Tata Communications Exchange (MIT)	Singapore	Gold
Mapletree Logistics Hub - Toh Guan (MLT)	Singapore	Gold

Property	**Country**	**LEED Award**
Tata Communications Exchange (MIT)	Singapore	LEED Gold
26A Ayer Rajah Crescent (MIT)	Singapore	LEED Gold
Mapletree Logistics Hub Tsing Yi (Mapletree)	Hong Kong SAR	LEED Gold
Global Technology Park Phase 1 (Mapletree)	India	LEED Gold (by Indian Green Building Council)
Mapletree Business City II (Mapletree)	Singapore	LEED Gold (pre-certification)
Mapletree Bay Point (Mapletree)	Hong Kong SAR	LEED Gold (pre-certification)
Global Technology Park Phase 2 (Mapletree)	India	LEED Gold (pre-certification)
Mapletree Business City Shanghai (Mapletree)	China	LEED Gold (pre-certification)
VivoCity Shanghai (Mapletree)	China	LEED Silver (pre-certification)

Mapletree Business City Shanghai, a LEED Gold pre-certified development that has been designed to minimise environmental impact

Energy

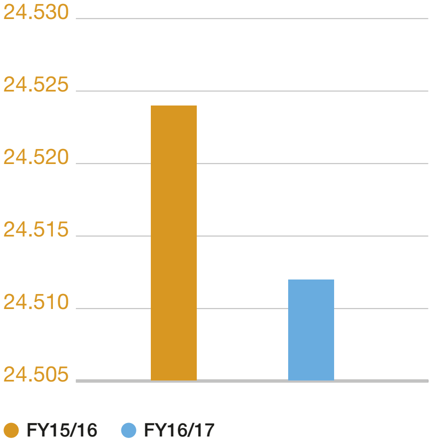
Energy use and its associated greenhouse gas (GHG) emissions contribute to global warming. At Mapletree, we use electricity for property management and operations, such as for lighting, air conditioning and elevators.

Mapletree also submits building-related information and energy consumption data for office and retail buildings in Singapore to the BCA annually. The information is compiled in the BCA Building Energy Benchmarking Report to spur building owners and managers towards improving their energy conservation efforts.

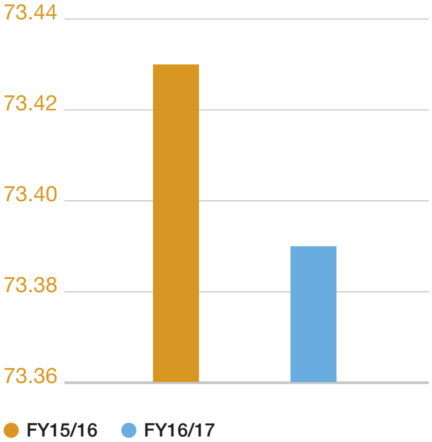
Mapletree has also undertaken efforts to incorporate green practices into its property management operations. For example, commercial buildings have installed energy efficient lighting fixtures and motion sensors to reduce electricity consumption. Tenants' fit-out designs in commercial buildings in Singapore are vetted by Mapletree to ensure they comply with the building's lighting power density, and are energy efficient in line with BCA Green Mark requirements.

Efforts from Mapletree's Singapore Commercial business unit to conserve energy in the past years have resulted in the current portfolio achieving a steady state in the landlord's energy consumption. In FY16/17, five developments[4] in Singapore held directly by Mapletree reported a total energy consumption of 24.512 million kilowatt hours (kWh) in landlord-controllable areas, an improvement from 24.524 million kWh in FY15/16. Correspondingly, average building energy intensity improved by 0.05% from 73.43 kilowatt hours per square metre (kWh/m^2) in FY15/16 to 73.39 kWh/m2 in FY16/17. The total GHG emissions from electricity at the five developments in FY16/17 was 12,746 tonnes of carbon dioxide equivalents (tCO_2e), a 0.05% decrease from 12,753 tCO_2e in FY15/16.

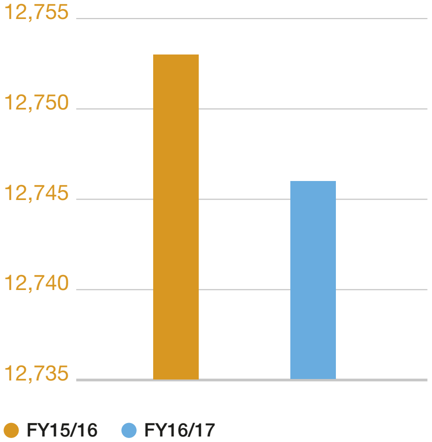
Building Electricity Consumption (million kWh)[4]



Average Building Electricity Intensity (kWh/m^2)



GHG Emissions (tCO_2e)



Mapletree Business City (MBC) is the Group's flagship development in Singapore and has attained several notable awards for its sustainable features which include an efficient chiller plant and green roofs amongst others

Mapletree has taken steps to improve energy efficiency in building design and development.

At MBC in Singapore, some eco-efficient features include:

- Adopting high efficiency chiller plant design, eco-efficient equipment, system optimisation controls;
- Maintaining building system and equipment operational efficiency;
- Using façade glass windows with low emissivity coatings; and
- Installing green roofs to reduce building cooling load.

Water

Water is fundamental to the Group's business operations, as it is used by tenants, suppliers and visitors at the properties. To this end, the Group strives to conserve water while providing reliable and stable water sources to its stakeholders.

The Group aims to reduce total water consumption and overall water intensity at its properties. In addition to tracking consumption, Mapletree also submits annual water consumption data of its commercial buildings to the Public Utilities Board Singapore (PUB) as part of the requirements under the Water Efficiency Management Plan.

Across the Group, there are several water-saving features being introduced in the design and development of the buildings. At Mapletree, where possible, it adopts water efficient cooling towers with proper water treatment, collects condensates from air handling unit and rainwater, and uses water efficient fittings. NEWater, a type of high-grade reclaimed water, is used as a non-potable water source for cooling tower systems where the supply is made available by PUB. In recognition of these sustainability efforts, MBC I and HarbourFront Centre have been awarded the Water Efficient Building certifications by PUB.

In FY16/17, five developments[5] in Singapore held directly by Mapletree's Singapore Commercial business unit recorded a total water consumption of 280,479 cubic metres. In the following years, we will continue with our efforts and measures to conserve more water.

4 Environmental performance data included in this SR consists of HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, Tanjong Pagar Distripark and Pasir Panjang Distripark in Singapore which Mapletree owns 100% stake and has operational control. Mapletree Business City I and II as well as 18 Tai Seng are excluded because they lack two full financial years of statistics for a meaningful comparison – MBC I was divested to Mapletree Commercial Trust (MCT) in August 2016, and MBC II was only completed in April 2016. 18 Tai Seng became operational in February 2017.

5 Environmental performance data included in this SR consists of HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, Tanjong Pagar Distripark and Pasir Panjang Distripark in Singapore.

For its efficient energy use, HarbourFront Centre, one of the oldest buildings in Singapore, is a consistent recipient of the BCA Green Mark Platinum Award

Social – People and Communities

Apart from building sustainable developments, Mapletree recognises its responsibilities to ensure the health and safety of its immediate stakeholders, and its role as a corporate citizen in the community.

Employees	We aim to ensure that the work space and environment are safe and conducive for employees. Health-related programmes are organised at the premises in conjunction with Health Promotion Board while health and safety policies for employees are outlined in the Employee Handbook.
Third-party service providers	Requirements on health and safety standards are embedded within the selection criteria for the engagement of contractors and other third-party service providers.
Tenants	Tenants are provided with the following instructional manuals to ensure that the highest health and safety standards are adopted: a Fit-Out Manual which details clauses on safety rules for additions and alteration works, and a Tenant Handbook which contains clauses on safety rules and specifies some “Dos and Don’ts” in their business operations. Fire drills are conducted twice a year to familiarise tenants with the emergency evacuation procedures and assembly areas. Regular communications in the form of circulars are issued to tenants as and when heightened security and health risks arise, such as during external terrorist threats and haze situations. Tenants are also encouraged to use environmentally-friendly products and limit the use of items that will negatively impact indoor air quality.
Visitors	Buildings have sufficient directional signage, emergency exits and emergency lightings for the safety of visitors. Lifts and fire alarm systems are tested annually to comply with building regulations.

Health and Safety

Mapletree is committed to safeguarding the health and safety of its employees, tenants, visitors and third-party service providers at all times.

Standard operating procedures have been put in place to respond to emergencies readily. Properties in Singapore are managed by the property management teams who are trained in first aid and fire-fighting. Mapletree has also developed a reporting protocol in the event of serious construction accidents at any of its development sites. This allows for timely investigation and incident management. Mapletree also complies with the Ministry of Manpower's reporting requirements on workplace incidents.

Business continuity measures including fire and safety drills were tested and fine-tuned at all Singapore properties during the year. The properties are also subject to fire safety audits.

Going forward, Mapletree aims to continue engaging its employees to play an active role in mitigating the health and safety risks within its properties. This will include continuing regular health and safety trainings for all employees, and engaging third-party service providers regularly to discuss and monitor their performance. In addition, Mapletree's property managers ensure that buildings are well maintained, hazardous areas are clearly signposted, and regular inspections are conducted.

Mapletree's Group Development Management department initiates due diligence as early as possible when they pre-qualify and engage a new third-party service provider. The company safety records of all third-party service providers are assessed as part of the pre-qualification criteria. Fourteen new suppliers were engaged in FY16/17, of which eight were consultants and six were contractors. All six contractors were contracted with standard terms and conditions that include health and safety-related clauses.

Employees across the Group reported zero workplace fatalities and zero major accidents in FY16/17.

Talent Retention

Human capital is a key asset to Mapletree. The Group believes in investing in its people and is committed to creating a diverse, inclusive and collaborative workplace. It does so through a range of training programmes tailored to meet the needs of employees, as well as holistic human resource (HR) policies and regular engagement activities aimed at creating an environment that provides work-life balance.

Talent Attraction

Mapletree recognises that the long-term sustainability of its business is influenced by its ability to attract and retain talent. The Group has developed integrated human capital strategies and initiatives with a strong emphasis on equal opportunities, talent development, competitive compensation and employee wellness. Mapletree's employment practices have been refined to adhere strictly to local labour laws.

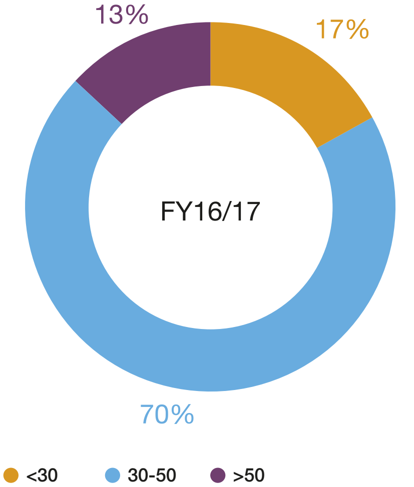
The Group's HR policies are based on equal opportunities and fair employment practices. Mapletree endeavours to be fair and progressive in its HR practices. All HR policies are made available to employees via the Employee Handbook.

Mapletree has structured initiatives such as the Mapletree Executive Programme, Mapletree Associate Programme, Mapletree Internship Programme and Work Placement Programme. The last two programmes offer attachment opportunities to promising students to gain hands-on experience, and act as an avenue for Mapletree to attract and hire potential staff. Apart from this, Mapletree also strives to retain and groom existing staff.

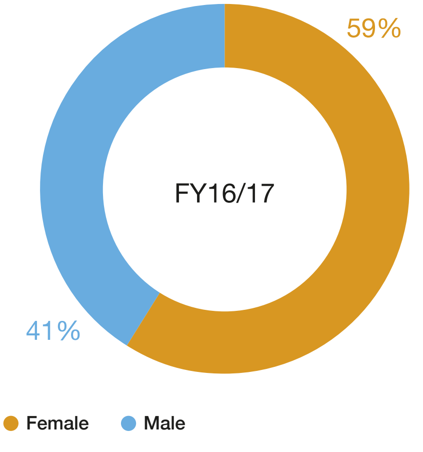
The Mapletree Immersion Programme is a two-day workshop for new hires to gain a deeper understanding of the company's businesses

Mapletree has maintained a diverse workforce in Singapore. As of 31 March 2017, Mapletree had 916 employees located in Singapore, including REIT management teams and other business subsidiaries based in Singapore. Both average turnover rate and average new hire rate for the annum stood at 1%. The majority of employees in Singapore were within the 30 to 50 years age group. Female and male employees constitute 59% and 41% respectively on an annual average as at 31 March 2017.

Age Diversity



Gender Diversity



Mapletree partners with Singapore's Health Promotion Board to bring the Healthy Workplace Ecosystem to MBC and HarbourFront Centre where working executives can join in exercise programmes and lunchtime talks on healthy lifestyle at their workplace

Developing People

Mapletree believes that having engaged staff is a vital asset. To that end, the Group invests in learning and development programmes and initiatives to build a strong, capable and motivated team equipped with relevant competencies and skill sets.

Mapletree promotes an active approach to learning. Employees are encouraged to participate in various learning and development programmes conducted throughout the year. Examples include the Mapletree Immersion Programme, Mapletree Leadership Programmes, Mapletree Performance Management workshops and the Mapletree Service with a Difference Programme as well as various functional and technical training programmes.

To support continuous employee development, a robust performance appraisal system allows employees to communicate their development and career goals and identify any learning needs. During the annual performance appraisal exercise, all employees receive feedback from supervisors on their performance and areas for improvement.

In FY16/17, Mapletree successfully implemented a Group-wide e-Performance Appraisal (ePA) system. The fully integrated ePA system aligns evaluation practices across different countries, effectively tracks key performance indicators and measures employees' personal development. It also helps to enhance the performance management experience between employees and managers.

Employee Well-being

Mapletree advocates creating a positive and engaging working environment. The Mapletree Recreation Club regularly organises activities to promote staff interaction. Activities held in FY16/17 include Durian Fest 2016, Mapletree's Movie Event 2016, Christmas Cookies Distribution 2016 and Safari Zoo Run 2017.

In partnership with Singapore's Health Promotion Board, Mapletree organises the Workplace Health Promotion series for its employees and all tenants at MBC. These activities include lunchtime talks on lifestyle topics and monthly choreographed dance fitness programmes. Mapletree also holds an annual health screening. Apart from promoting work-life balance, these programmes create a vibrant business community within MBC.

In FY16/17, Mapletree launched the Mapletree Education Award (EduAward) to recognise the academic achievements of its Singapore-based employees' children. Comprising cash awards ranging from S$150 to S$500, the EduAwards are presented twice a year, with the first batch of 41 awards given out in March 2017.

Local Communities

Mapletree seeks to build long-term relationships within its communities. It is committed to delivering positive social impacts by supporting projects and causes that are of concern to its stakeholders and the communities in which it operates.

Underpinning such efforts is the Mapletree Shaping & Sharing Programme, a Group-wide Corporate Social Responsibility (CSR) framework which focuses on two broad objectives of empowering individuals and enriching communities. A five-member Board Committee comprising Mapletree's Chairman, two Board representatives from the four REITs (rotated on a two-year basis), and Senior Management, provides strategic oversight on the Programme.

The Group Corporate Communications team assesses all proposed community involvement initiatives against the Mapletree CSR framework and makes recommendations to the CSR Board Committee for their final assessment. Activities which have definable social outcomes and longer-term engagement, as well as staff volunteerism opportunities, are prioritised.

Mapletree aligns business performance with its CSR efforts by setting aside S$1 million annually to fund social commitments and programmes. This increases to S$2 million when the Group's profit after tax and minority interests (PATMI) for the year exceeds S$300 million, as it did in FY16/17.

Supporting Tertiary Education

Education is a key pillar of Mapletree's CSR framework. As a strong supporter of tertiary education in Singapore, Mapletree has contributed S$3 million to date to the endowment funds of all six universities in Singapore, and offers financial support to over 90 university students annually via bursaries and study grants. To extend this support, Mapletree committed an additional S$3 million to education programmes in Singapore in FY16/17.

During the year, Mapletree also encouraged academic excellence by sponsoring book prizes of S$1,000 each to bursary recipients from the National University of Singapore and Nanyang Technological University who achieved satisfactory academic results.

Mapletree supports students pursuing practice-oriented education through the Mapletree Academic Achievement Programme (MAAP). The MAAP has pledged a five-year sponsorship of diploma graduation book prizes across all five local polytechnics, starting from Academic Year (AY)15/16. It has also committed to sponsor graduation prizes for the diploma programmes of SIM Global Education, which will fund 30 prizes annually for a period of five years from AY16/17.

Continued Support for Youths-at-risk

Since 2012, Mapletree has contributed financially to support the education, sports and arts programmes of Boys' Town and Assumption Pathway School, which seek to uplift youths from difficult financial and social circumstances.

The Mapletree team representing the host in the inaugural Mapletree Futsal Challenge 2017, a joint corporate social responsibility initiative between Mapletree and its MBC tenants to raise funds in support of youth intervention programmes

Arts in the City, a complimentary series of lunchtime arts performances held regularly at Mapletree Business City, aimed at providing the working community with more opportunities to engage with the arts

In 2016, Mapletree sponsored approximately S$4,000 worth of jerseys and soccer boots for the Boys' Town soccer team.

Mapletree also involved its employees and tenants in the Mapletree Futsal Challenge 2017, a charity event held at the MBC futsal courts on 16 March 2017 which raised S$6,000 in support of Beyond Social Services. The proceeds were used to fund programmes for underprivileged youths.

In addition, the Group launched the Mapletree Youth Resilience Programme (MYRP) in 2016 to provide long-term financial aid to youths with the potential and drive to pursue an education despite their disadvantaged backgrounds. During the year, Mapletree provided more than S$25,000 in financial support to them through the programme, and aims to expand the scope and scale of MYRP to other youth-related charities over the longer term.

Remembering the Legacy of Mr Lee Kuan Yew

As part of the Group's continuous efforts to remember the legacy of Singapore's late founding Prime Minister Mr Lee Kuan Yew, Mapletree commissioned the Straits Times Press to produce two books about Mr Lee for young readers.

Titled "What's Inside the Red Box?" and "LKY: Follow that Rainbow, Go Ride It", these books chronicle the life of Mr Lee and his dreams for Singapore. The books highlight the importance of values such as tenacity, and encourage self-reflection.

During the year, 6,000 special edition complimentary copies of the activity book, "What's Inside the Red Box?" were produced and distributed in support of the Early Childhood Development Agency's "Start Small Dream Big" initiative.

Staff Volunteerism

To inspire a more vibrant CSR culture, the Mapletree Staff CSR Programme was launched in June 2014 as a specialised platform that empowers employees to initiate and carry out CSR projects which they find meaningful. During the year, teams were awarded seed funding of S$5,000 each under the programme to carry out their projects.

Mapletree's staff volunteers also led reading cum craft sessions at preschools operated by the PAP Community Foundation which included reading excerpts from "What's Inside the Red Box?".

Since 2011, Mapletree has hosted annual Blood Donation Drives at MBC. To promote greater participation, two donation drives were held in 2016, which saw more than 280 bags of blood collected over four days.

In addition, employees from China and India offices tapped on seed funding from the Staff CSR programme to organise monthly engagement activities with senior citizens living near Mapletree's China office in Shanghai and to purchase classroom furniture for a village primary school near Mapletree's Global Technology Park in Bangalore, India.

Supporting the Arts

Mapletree's support for the arts stems from the desire to enliven real estate spaces. Through arts performances under its signature Arts in the City (AITC) programme and venue sponsorship for outreach activities under the National Arts Council's Arts in Your Neighbourhood initiative, the Group has been engaging local artists and presenting a regular stream of arts performances at its flagship MBC development. In February 2017, as part of AITC, performing arts groups NADI Singapura and TRDO enthralled the MBC community with their lunchtime performances featuring energetic drumbeats and dance moves.

Earlier in September 2016, Mapletree donated S$20,000 in support of Esplanade's "Jazzy Business – Jeremy Monteiro's and The Business Times' 40th Anniversary Concert".

Venue Sponsorship

Mapletree continued to extend venue support to CSR-related events at its Singapore properties, contributing in-kind sponsorship of more than S$83,000 in FY16/17. Examples include venue support for the Health Promotion Board's Workplace Health Promotion series at MBC and the sale of merchandise from Pathlight School and Purple Parade at VivoCity.

Community Feedback

As a responsible corporate citizen, Mapletree continues to explore ways to create sustainable long-term value for its communities. To achieve this, the Group is developing feedback mechanisms to gather input from the local community on ways it can improve the social and environmental impacts of its business activities. Please send feedback on reporting disclosures to enquiry@mapletree.com.sg.

In support of Singapore Red Cross, Mapletree hosts a Blood Donation Drive at MBC twice a year to mobilise the working community in the Alexandra precinct to donate blood

Governance – Ensuring Compliance

Although not listed on the stock exchange, and not subject to mandatory disclosures, Mapletree observes a high standard of corporate governance and transparency in its business operations. A corporate governance framework was implemented with policies that were developed to uphold the Group's core values. Employees are required to adhere to the ethics and code of conduct policy and maintain high levels of integrity.

The policies include specific guidance on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of lavish gifts and entertainment. The Whistleblowing Policy[6] establishes procedures for reporting in good faith any improper conduct while protecting whistleblowers from reprisals.

Mapletree reserves the right at all times to terminate an employee's services if he/she is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment. Employees are required to comply with the Group's policies and procedures at all times and in all areas, including attendance, safe work practices and professional conduct.

Procedures are in place to monitor and manage the risk of non-compliance with laws and regulations. Where there are cases of threatened or pending litigation, such incidents are reported at once to the CEO of the business unit and the Head of Group Corporate Services and Group General Counsel for timely resolution. On dealing in Mapletree REIT units, directors and employees receive notification prior to the start of any trading ban period to ensure compliance.

Going forward, the Group intends to conduct training for directors and relevant employees of Mapletree Group as and when there are substantial new areas of law.

For FY16/17, there were no material breaches of relevant local laws and regulations, including marketing communication and anti-corruption laws.

6 Refer to the Corporate Governance section on pages 76 to 79 for more details.

Sustainability
Corporate Governance

As Mapletree continues its business expansion in Asia and beyond, the importance of maintaining good corporate governance practices to ensure investor confidence and business integrity becomes more entrenched in its activities. Although Mapletree is not listed on a stock exchange and therefore not subject to mandatory disclosures, it voluntarily subscribes to some of the core principles set out in the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore.

Mapletree is also firmly committed to ensuring long-term value creation and integrating sustainability into its strategy, policies and practices. To this end, Mapletree has voluntarily published its inaugural Sustainability Report which can be found on pages 66 to 75 of this Annual Report.

A) Board Matters

Board's Conduct of its Affairs

Mapletree adopts the principle that an effective Board of Directors is one that is constituted with the right core competencies and diversity of experiences. The collective wisdom of the Board provides strategic guidance and diverse insights to support the Management, and the Management is accountable to the Board.

The key roles of the Board are to:

- guide the corporate strategy and direction of the Group
- ensure that the Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Management

Board Committee Membership

The Board comprises 10 members, of whom nine are Non-Executive Directors and Independent Directors. Board committees are also constituted to assist the Board in discharging its duties. The following sets out the composition of the Board and the various Board committees.

Mapletree's Directors are business leaders and distinguished professionals in their respective fields who are appointed based on their professional calibre, experience and stature, with the overall consideration that their collective experiences will bring breadth and depth to the Board's deliberations. The diverse professional background of the Directors enable the Management to benefit from their external, varied and objective perspectives on issues brought before the Board. Every Director is expected to act in good faith and consider the interests of the Group at all times.

The Board meets at least once every quarter to assess Mapletree's business performance and key activities, as well as reviews strategic policies and significant acquisitions and disposals. The Board is updated on any material change to relevant laws, regulations and

Name	Board of Directors	Audit and Risk Committee (AC)	Executive Resource and Compensation Committee (ERCC)	Investment Committee (IC)	Transaction Review Committee (TRC)
Mr Edmund Cheng Wai Wing	Chairman		Chairman	Chairman	
Mr Lee Chong Kwee	Member	Chairman			Chairman
Mr Paul Ma Kah Woh	Member	Member	Member	Member	
Mr Tsang Yam Pui	Member	Member			
Mr Wong Meng Meng	Member	Member			Member
Mr David Christopher Ryan	Member			Member	
Mr Samuel N. Tsien	Member				
Ms Elaine Teo	Member				Member
Mr Cheah Kim Teck	Member				
Ms Chan Wai Ching			Co-opted Member		
Mr Hiew Yoon Khong	Member			Group CEO & Ex-officio Member	
Mr Wong Mun Hoong				Group CFO & Ex-officio Member	

accounting standards through briefings by professionals or updates issued by the Management.

All Directors provide, and are also provided with the other Directors' disclosures of interests.

Board Composition and Balance

Mapletree adopts the principle that at least one-third of its Directors are independent and the majority of them non-executive. Other than the Group Chief Executive Officer (CEO), who is an Executive Director, all Board members are Independent Directors. This generates broad and in-depth deliberations between the Board and the Management, which provide the Management with external, diverse and objective perspectives.

The Board is supported by the AC to provide a better overview of financial, risk and audit matters. In addition, other Board committees, namely the ERCC, the IC and the TRC, are constituted to address different aspects of the business. All these ensure optimal effectiveness of the Board, fostering active participation and contribution.

Chairman and Chief Executive Officer

Mapletree adopts the principle that a clear separation between the roles and responsibilities of the Chairman and the Group CEO institutes an appropriate balance of power and authority.

As a Non-Executive Independent Director, the Chairman guides the Board in constructive debates on the matters of strategic direction, management and governance. Being non-executive, the Chairman is free to act independently in the best interests of Mapletree. The Chairman and the Group CEO are not related to each other.

The Group CEO, who is a Board member, is responsible for the management and strategy of the Group's business. The Group CEO carries out full executive responsibilities over the business directions and operational decisions of the Group. The Group CEO is also responsible for ensuring compliance with the applicable laws and regulations in the Group's day-to-day operations.

Mr Chua Tiow Chye was appointed as Deputy Group CEO on 1 March 2017 and is responsible for driving the Group's strategy initiatives. He is also tasked to bring Oakwood Worldwide to its next level of business objectives.

Board Membership

Mapletree adopts the principle that Board renewal is an ongoing process to ensure good governance and to remain relevant to the changing needs of the Group. All appointments and resignations of Board members are approved by the Board. All Board members are required to submit themselves for re-nomination and re-election at regular intervals. As a Board member, the Group CEO is also subject to retirement and re-election. In this regard, Mapletree has refreshed its Board with the appointment of Mr David Christopher Ryan and Mr Samuel N. Tsien in March 2014, Ms Elaine Teo in February 2016 and Mr Cheah Kim Teck in March 2017.

Board Performance

Mapletree adopts the principle that the Board's performance is ultimately reflected in the performance of the Group. Each Board member is given sufficient time to bring his or her perspective to the Board to enable fruitful discussions for balanced and well-considered decisions to be made.

Access to Information

Mapletree adopts the principle that the Board shall be provided with timely and complete information prior to Board meetings and when the need arises. New Board members are briefed on Mapletree's business.

Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision as well as ongoing reports relating to the operational and financial performance of the Group. Management is also required to furnish any additional information requested by the Board in a timely manner for the Board to make informed decisions.

The Board has separate and independent access to the Management and the Company Secretary. The Company Secretary attends to the administration of corporate secretarial matters, attends all Board and Board committee meetings, and provides assistance to the Chairman in ensuring adherence to Board procedures. To discharge its responsibilities effectively, the Board takes independent professional advice as and when necessary. The AC meets the external and internal auditors separately at least once a year, without the presence of the Management.

B) Remuneration Matters

Mapletree adopts the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices, in order to attract suitably qualified talent to grow and manage its business.

Mapletree adopts the principle that remuneration for the Board and the Senior Management should be viewed in totality. To ensure continuous talent development and renewal of strong and sound leadership, the Group has implemented a performance-linked remuneration system. To this end, the ERCC is responsible for recruiting and retaining key talents.

The members of the ERCC are:
- Mr Edmund Cheng Wai Wing (Chairman);
- Mr Paul Ma Kah Woh (Member); and
- Ms Chan Wai Ching, Senior Managing Director, Temasek International (Private) Limited (Co-opted Member).

All ERCC members are independent of the Management. The ERCC oversees executive compensation and development of the management bench strength, so as to build and augment a capable and dedicated management team, and gives guidance on progressive policies which can attract, motivate and retain a pool of talented executives for the present and future growth of the Group.

Specifically, the ERCC:
- establishes compensation policies for key executives;
- approves salary reviews, bonuses and incentives for key executives;
- approves key appointments and reviews succession plans for key positions; and
- oversees the development of key executives and younger talented executives.

Annually, the ERCC conducts a succession planning review of the Group CEO and select key positions in the Group. In this regard, potential internal and external candidates for succession are reviewed for immediate, medium term and longer term needs. The ERCC held a total of four meetings in FY16/17.

The Group CEO, as an Executive Director, does not receive director's fees. He is a lead member of the Management. His compensation consists of his salary, allowances, bonuses and share appreciation awards from the Group. The latter is conditional upon him meeting certain performance targets. The Group CEO is not present during discussions relating to his own compensation, terms and conditions of service, and performance review.

Previously, the ERCC's duties included overseeing the executive compensation and talent development matters of Mapletree Logistics Trust Management Ltd (MLTM), Mapletree Industrial Trust Management Ltd (MITM), Mapletree Commercial Trust Management Ltd (MCTM) and Mapletree Greater China Commercial Trust Management Ltd (MGCCTM), which are respectively the real estate investment trust (REIT) Manager of Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree Greater China Commercial Trust (MGCCT), each of which has Mapletree as sponsor. Since January 2016, with the establishment of a Nominating and Remuneration Committee (NRC) by each of the Board of directors of MLTM, MITM, MCTM and MGCCTM, the respective NRC oversees the remuneration and succession matters of the directors and senior management of each REIT manager.

C) Accountability and Audit

Accountability

Mapletree adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Group complies with statutory and regulatory requirements as well as adopts best practices in its business processes. On a regular basis, the Board is also apprised of the Group's performance in order to make a balanced and informed assessment of the Group's performance, position and prospects.

Internal Controls

Mapletree adopts the principle that a sound internal controls system is necessary to establish an internal control framework which addresses the operational, financial, compliance and information technology (IT) risks applicable to its business and operating environment, as well as the Group's risk management system. These internal controls provide reasonable but not absolute assurance on the achievement of their intended control objectives. The key elements of Mapletree's system of controls are as follows:

Operating structure

Mapletree has a well-defined operating structure with lines of responsibility and delegated authority, as well as a reporting mechanism to the Senior Management and the Board.

Policies, procedures and practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority that sets out approval limits for operational and capital expenditures, investments and divestments, bank borrowings and cheque signatory arrangements. Approval sub-limits are also provided at various management levels to facilitate operational efficiency and provide a system of checks and balances.

Mapletree's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency. Mapletree has a control self-assessment programme to promote accountability, control and risk ownership, in order to cultivate a stronger sense of risk awareness within the Group.

The Internal Audit Department (IA) verifies compliance with these control procedures and manuals, including IT controls.

Whistleblowing policy

To reinforce a culture of good business ethics and governance, Mapletree has a whistleblowing policy to encourage the reporting, in good faith, of any suspected improper conduct, including possible financial irregularities, while protecting the whistleblowers from reprisals. Any reporting is notified to the AC Chairman for investigation and to the AC for deliberation on the findings, as well as the relevant REIT manager AC Chairman and the relevant REIT manager AC where it involved the respective Mapletree REIT and/or the Mapletree REIT manager. For queries or to make a report, please write to reporting@mapletree.com.sg.

Risk management

Risk management is an integral part of Mapletree's business management. In order to safeguard and create value for stakeholders, Mapletree proactively manages risks and requires the risk management process to be part of the Group's planning and decision-making process.

In this regard, the Risk Management Department (RM) oversees the risk management framework, reviews annually the adequacy and effectiveness of the risk management system, and monitors the key risks faced by the Group. It reports to the AC and the Board on material findings and recommendations in respect of significant risk matters.

The risk management system is dynamic and evolves with the business. RM works closely with the Management to review and enhance the risk management system to be in line with market practices and regulatory requirements.

More information relating to risk management can be found on pages 80 and 81 of this Annual Report.

Information Technology controls

As part of the risk management process, general IT controls have been put in place and are periodically reviewed to ensure that IT risks and cyber-security threats are identified and mitigated. In addition, as part of Mapletree's business continuity plan, IT disaster recovery planning and tests are conducted to ensure that critical IT systems remain functional in a crisis situation.

Financial reporting

The Board is updated quarterly on the Group's financial performance. These reports provide explanations for significant variances in financial performance, in comparison with budgets and actual performance of corresponding periods in the preceding year, as well as an updated full-year forecast. The Board is also provided with quarterly updates on key operational activities.

Financial management

The Management reviews the performance of the Group's portfolio properties monthly to instil financial and operational discipline at all levels of the Group.

The key financial risks which Mapletree is exposed to comprise interest rate risk, liquidity risk, currency risk and credit risk. Where necessary and appropriate. Mapletree hedges against interest and/or currency rate fluctuations. In addition, Management proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained. The Group also has in place credit control procedures for managing tenant credit risk and monitoring debt collection.

Internal audit

Annually, IA prepares a risk-based audit plan to review the adequacy and effectiveness of Mapletree's system of internal controls. The department is also involved during the year in conducting system or process reviews that may be requested by the AC or the Management on specific areas of concern. In doing so, IA obtains reasonable assurance that business objectives for the process under review are being achieved and key control mechanisms are in place.

After each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. IA monitors and reports on the timely implementation of the action plans to the Management and the AC quarterly.

The external auditors provide an independent perspective on certain aspects of the internal financial controls system arising from their work, and report their findings to the AC annually.

Transaction Review Committee

Since March 2013, with the listing of MGCCT, Mapletree has established a TRC to (a) resolve any potential conflict of interest that may arise between MGCCT and the Mapletree China Opportunity Fund II (whose investment mandate includes investment properties in China) as well as any future Greater China commercial private fund (whose investment mandate includes commercial properties in Greater China) concerning the process to be undertaken to acquire investment properties in Greater China, and (b) grant approval for the acquisition of any seed asset for a future Greater China commercial private fund. With regard to (a), the TRC process will not apply if the proposed acquisition is by way of a tender, auction or any other form of competitive process.

Audit and Risk Committee

The AC supports the Board in financial, risk and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

Mapletree adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent.

The AC has written Terms of Reference dealing with its scope and authority, which include:

- review of annual internal and external audit plans;
- review of audit findings of internal and external auditors, as well as the Management's responses to them;
- review of quarterly, half-yearly and annual financial statements;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- recommendation for the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- meets with the external and internal auditors, without the presence of the Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational and compliance controls), significant comments and recommendations; and
- reviews and, if required, investigates the matters reported via the whistleblowing mechanism by which staff may, in confidence, raise concerns about suspected improprieties including financial irregularities.

The objective is to ensure that arrangements are in place for independent investigations of any matter arising from such meetings, and for review of such investigations to ensure appropriate follow-up actions are taken. The AC held a total of four meetings in FY16/17.

Internal Audit

Mapletree adopts the practice that IA reports directly to the Chairman of the AC and administratively to the Group Chief Financial Officer.

The role of IA is to conduct its internal audit work in consultation with but independently of the Management. Its annual audit plan and findings are submitted to the AC. The AC also meets with IA at least once a year without the presence of the Management. The Head of IA is a member of the Singapore branch of the Institute of Internal Auditors Inc. (IIA), which has its headquarters in the United States (US). IA is in conformance with the Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA, and has incorporated these Standards into its audit practices.

The Standards set by the IIA cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement; and
- communicating results.

The internal auditors involved in IT audits are Certified Information System Auditors and members of the Information System Audit and Control Association (ISACA) in the US. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

To ensure that the internal audits are performed by competent professionals, IA employs qualified staff. In order for their technical knowledge to remain current and relevant, IA also provides training and development opportunities to its staff.

D) Communication with Shareholders

Mapletree adopts the principle of providing regular and timely communications with its shareholder, as well as ensuring equal access to information.

Sustainability
Risk Management

Risk management continues to be an integral part of Mapletree's business strategy of delivering strong earnings and sustainable returns. To safeguard and create stakeholder value, the Management proactively manages risks and embeds the risk management process as part of the Group's planning and decision-making process.

Strong Oversight and Governance

The Board of Directors (Board) is responsible for determining the Group's overall risk strategy and risk governance, and ensuring that the Management implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks to take to achieve the Group's business objectives. The Board is supported by the Audit and Risk Committee (AC), which comprises independent directors whose collective experience and knowledge serve to guide and challenge the Management. The AC has direct access to the Risk Management (RM) department, which it engages with quarterly as part of its review of Mapletree's portfolio risks.

At Mapletree, the risk management culture involves both top-down oversight and bottom-up engagement from all employees. This ensures a risk approach that is aligned with the Group's business objectives and strategies, and is integrated with operational processes for effectiveness and accountability.

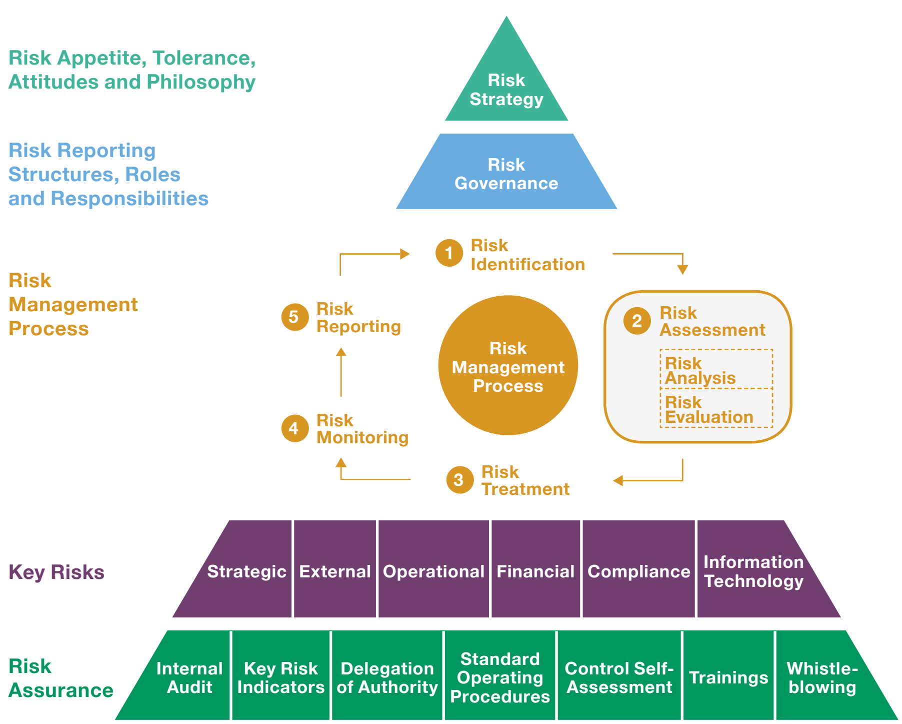
Mapletree's enterprise risk management framework is dynamic and evolves with the business. It provides the Group with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The RM department works closely with the Management to review and enhance the risk management system in accordance with market practices and regulatory requirements. A Group-wide control self-assessment (CSA) framework further creates risk awareness by fostering accountability, control and risk ownership and provides an additional assurance to the Management and the Board that operational risks are being effectively and adequately managed and controlled.

Robust Measurement and Analysis

Mapletree's risk measurement framework is based on Value-at-Risk (VaR), a methodology which measures the volatilities of market and property risk drivers such as rental rates, occupancy rates, capital values, interest rates and foreign exchange rates. It takes into consideration changes in the market environment and asset cash flows as they occur. To complement the VaR methodology, other risks such as refinancing, tenant-related and development risks are also assessed, monitored and measured as part of the framework where feasible.

With the VaR methodology, Mapletree quantifies risks on a consistent basis across business units, countries and asset types, identifying high-risk assets, sectors and countries. This enables the Management to make informed and efficient capital allocation decisions by quantifying the benefits of risk diversification across its portfolio. Recognising the limitations of any statistically-based system that relies

Enterprise Risk Management Framework



on historical data, Mapletree's portfolio is subject to stress tests and scenario analyses to ensure that the Group remains resilient during unexpected market shocks.

Risk Identification and Assessment

The Management identifies key risks, assesses their likelihood and impact on the business, and establishes corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

Strategic Risks

Mapletree's portfolio is subject to real estate market risks such as rental rate and occupancy volatilities in the countries where it operates and specific factors including competition, supply, demand and local regulations. Such risks are quantified, aggregated and monitored for existing assets and prospective acquisitions. Significant risk profile changes or emerging trends are reported for assessment and/or action.

The Group has a disciplined investment approach which subjects all investment proposals to stringent reviews. Project returns are assessed against internal country and sector-specific hurdle rates, which are independently determined by the RM department and regularly reviewed by the Management. Sensitivity analysis is also performed for each acquisition on all key project variables to test the robustness of the assumptions used. For material acquisitions, independent risk assessments are conducted by the RM department, and included in investment proposals submitted to the Investment Committee or the Board for approval. All investment proposals are subject to rigorous scrutiny by the Board (or its delegates, depending on agreed thresholds).

New development projects usually take a few years to complete, depending on the project size and complexity. To mitigate development delays, cost overruns and lower than expected quality, the Management has put in place stringent pre-qualifications for consultants and contractors, and continually reviews the project progress.

External Risks

To manage country risks such as economic uncertainties or political turbulence in the countries where it operates, Mapletree conducts rigorous country and real estate market research, and monitors economic and political developments closely.

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable Mapletree to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Group regularly reviews its Standard Operating Procedures (SOPs) and benchmarks them against industry practices where appropriate. Compliance with SOPs is assessed under the CSA framework and reinforced through training of employees and regular reviews by the Internal Audit department.

Loss of key management personnel and identified talents can cause disruptions to the Group's business operations and hinder the Group from achieving its business objectives. The Management has put in place succession planning, talent management and competitive compensation and benefits plans to reward and retain performing personnel.

The Group has in place a Business Continuity Plan ("BCP") and crisis communication plan that should enable it to resume operations with minimal disruption and loss in the event of unforeseen catastrophic events such as terrorism and natural disasters. Mapletree's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

Financial Risks

Financial market risks and capital structure are closely monitored and actively managed by the Management, and reported to the Board on a quarterly basis. At the portfolio level, the risk impact of interest rate and currency volatilities on value is quantified, monitored and reported quarterly using the VaR methodology. Refinancing risk is also quantified, taking into account the concentration of the loan maturity profile and credit spread volatility.

The Management prudently manages exposure to interest rate volatility from the Group's floating rate borrowings by way of interest rate swaps. To mitigate foreign exchange risks, the Management borrows in the same currency as the underlying assets to provide a natural hedge, and/or hedges through derivatives, whenever appropriate. The Management also actively monitors the Group's cash flow position and requirements to ensure sufficient liquid reserves to fund operations and meet short-term obligations. In addition, it tracks and monitors bank concentration risks, ensuring a well-diversified funding base.

Compliance Risks

The Group is committed to comply with applicable laws and regulations of the various jurisdictions in which it operates. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. Mapletree identifies the applicable laws and regulatory obligations, and embeds compliance to these laws and regulations in its day-to-day business processes.

Information Technology (IT) Risks

The threat of cyber security attack continues to be a concern as such attacks become increasingly sophisticated. Mapletree has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. The Group's IT disaster recovery plan is in place and tested annually to ensure that Mapletree's business recovery objectives are met. In addition, network penetration testing is conducted regularly to check for potential security gaps.

Rigorous Monitoring and Control

Mapletree has developed internal key risk indicators that serve as a warning system by highlighting risks that have escalated beyond established tolerance levels. The Management has also established required actions to be taken when risk thresholds are breached.

Every quarter, the RM department presents to the Board and AC a comprehensive report highlighting key risk exposures, portfolio risk profile, results of stress testing scenarios and status of key risk indicators. The Board and AC are also kept abreast of any material changes to the Group's risk profiles and activities.

Property
Portfolio

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Singapore					
Commercial					
HarbourFront Centre	HarbourFront Centre Pte Ltd	100	32,900	97,700	65,900
HarbourFront Tower One	HarbourFront Two Pte Ltd	100	10,900 combined	40,300	34,200
HarbourFront Tower Two	HarbourFront Two Pte Ltd	100		19,200	14,200
PSA Vista	Vista Real Estate Investments Pte Ltd	100	12,900	21,900	13,300
St James Power Station	The HarbourFront Pte Ltd	100	17,800	8,700	6,100
Industrial					
43 Keppel Road	Bougainvillea Realty Pte Ltd	100	8,600	10,500	7,800
Pasir Panjang Distripark[1]	Bougainvillea Realty Pte Ltd	100	56,600	55,700	50,000
Tanjong Pagar Distripark	Bougainvillea Realty Pte Ltd	100	40,800	80,500	62,800
Mixed-Use					
18 Tai Seng	Mapletree Trustee Pte Ltd (as trustee-manager for Marina Trust)	100	11,800	41,200	35,700
Mapletree Business City II	Mapletree Business City Pte Ltd	100	108,500[2]	309,000[2]	110,100
Sites for Development/Land Leases					
HF3 Residential Site	HarbourFront Three Pte Ltd	61	28,600	32,000	–
SPI Development Site	HarbourFront Four Pte Ltd	100	25,000	32,000	–
West Coast Ferry Terminal (land lease)	Bougainvillea Realty Pte Ltd	100	19,900	–	18,800
Australia					
Corporate Housing / Serviced Apartment					
Oakwood Apartments Brisbane	Bridge SA (QL) Trust	100	2,966	10,642	6,697

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Office					
1G Homebush Bay Drive	Grafton ROA Trust	100	4,300	–	12,155
22 Giffnock Avenue	Grafton ROA Trust	100	6,923	–	13,394
53 Ord Street	Grafton ROA Trust	100	6,055	–	6,864
78 Waterloo Road	Grafton ROA Trust	100	5,496	–	14,990
118 Talavera Road	Grafton ROA Trust	100	4,490	–	11,658
144 Montague Road	Montague QL Trust	100	3,257	–	14,742

China

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Industrial					
Mapletree Baoshan Industrial Park	Shanghai Fullshine Industrial Development Co., Ltd	100	79,269	68,433	66,877
Logistics					
Mapletree Changsha Hi-Tech Logistics Park	Fengshun Logistics & Development (Changsha) Co., Ltd	100	125,333	79,713	79,252
Mapletree Changsha Hi-Tech II Logistics Park	Fengyi Logistics (Changsha) Co., Ltd	100	140,207	101,596	97,888
Mapletree Changshu Hi-Tech Logistics Park	Changshu Fengjia Logistics Co., Ltd	100	100,672	59,537	60,966
Mapletree Chengdu Qingbaijiang Logistics Park	Fengqing Warehouse (Chengdu) Co., Ltd	100	153,951	111,887	111,701
Mapletree Chongqing Bonded Port Logistics Park	Fengxian Warehouse (Chongqing) Co., Ltd	100	73,602	82,538	82,391
Mapletree Chongqing Jiangjin Industrial Park	Fengfu Industrial (Chongqing) Co., Ltd	100	73,587	47,436	47,013
Mapletree Cross-Border (Chongqing) Logistics Park	Fengzhong Warehouse (Chongqing) Co., Ltd	100	88,938	106,762	97,621
Mapletree Dalian Logistics Park	Fengguang Warehouse (Dalian) Co., Ltd	100	96,531	58,837	57,739
Mapletree Fengdong (Xi'an) Logistics Park Phase 2	Fenghang Logistics Development (Xi'an) Co., Ltd	100	119,422	64,009	63,594
Mapletree Greater Nanjing Logistics Park	Fengzhen Logistics (Zhengjiang) Co., Ltd	100	172,106	102,620	101,615

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Mapletree Hangzhou Xiaoshan Logistics Park	Fengzhou Logistics (Hangzhou) Co., Ltd	100	83,593	94,590	109,491
Mapletree Jiaxing Logistics Park	Jiaxing Fengyue Warehouse Co., Ltd	100	62,346	35,735	35,683
Mapletree Jinan International Logistics Park	Fengcheng Logistics Development (Jinan) Co., Ltd	100	126,770	81,912	80,931
Mapletree Liangjiang (Chongqing) Logistics Park	Fengjiang Warehouse (Chongqing) Co., Ltd	100	101,351	101,108	104,898
Mapletree Nanchang EDZ Logistics Park	Fengqi Warehouse (Nanchang) Co., Ltd	100	121,134	74,991	73,950
Mapletree Nantong EDZ Logistics Park	Fengchi Logistics (Nantong) Co., Ltd	100	108,782	67,895	67,504
Mapletree Nantong NCEDZ Logistics Park	Fengrui Logistics (Nantong) Co., Ltd	100	135,735	78,624	77,361
Mapletree Ningbo Cidong Logistics Park	Cixi Fengkang Logistics Co., Ltd	100	238,292	132,968	131,606
Mapletree Quanzhou QTIZ Logistics Park	Quanzhou Fenglian Warehouse Co., Ltd	100	104,793	126,764	125,963
Mapletree Tianjin Airport Logistics Park	Mapletree (Tianjin) Airport Logistics Development Co., Ltd	100	48,281	66,470	58,293
Mapletree Tianjin Port HaiFeng Bonded Logistics Park	Mapletree Tianjin Free Port Development (HKSAR) Limited	49	182,192	194,072	177,882
Mapletree Tianjin Wuqing Logistics Park	Fengquan Warehouse (Tianjin) Co., Ltd	100	47,100	30,050	29,148
Mapletree Wuhan Yangluo Logistics Park	Fengying Logistics (Wuhan) Co., Ltd	100	116,467	70,772	69,984
Mapletree Wuxi New District Logistics Park	Fengshou Warehouse Development (Wuxi) Co., Ltd	100	99,958	119,599	123,708
Mapletree Xiaogan Logistics Park	Fengmin Logistics (Xiaogan) Co., Ltd	100	124,342	78,756	77,882
Mapletree Yuyao Simeng Logistics Park	Fengxuan Logistics (Yuyao) Co., Ltd	100	83,622	48,914	48,914
Office					
Arca Building	Arca Technology (Beijing) Co., Ltd	100	22,749	19,695	19,695

Germany

Office					
Dachauer Strasse 641 - 655	Mapletree LUXE Assets S.a.r.l.	100	66,670	60,041	58,658

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Hong Kong SAR					
Logistics					
Mapletree Logistics Hub Tsing Yi	Mapletree TY (HKSAR) Limited	100	21,000	85,000	148,065
Office					
Mapletree Bay Point	Sunstone KB (HKSAR) Limited	100	5,112	61,344	52,817
Japan					
Corporate Housing / Serviced Apartment					
Oakwood Apartments Azabudai	Kashinoki Tokutei Mokuteki Kaisha	100	364	3,000	2,185
Office					
Omori Prime Building	Satsuki Tokutei Mokuteki Kaisha	100	1,764	11,111	6,798
Malaysia					
Logistics					
Mapletree Logistics Hub – Shah Alam	Winning Paramount Sdn Bhd	100	185,800	213,130	207,662
Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	Trinity Bliss Sdn Bhd	100	112,988	133,698	131,638
Retail					
Jaya Shopping Centre	Jaya Development Pte Ltd	100	8,600	65,900	24,000
United Kingdom					
Mixed-Use					
Green Park	Green Park Reading No. 1 LLP	100	790,000	–	130,064
Office					
3 Hardman Street	Hardman Investment Unit Trust	100	6,330	–	36,767
Diageo Headquarters	Derry Park Assets (UK) Limited	100	6,020	–	14,447
iQ Building	Aberdeen IQ Unit Trust	100	4,200	–	11,665
One Glass Wharf	Glass Wharf JV Limited	100	4,950	–	20,080

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
United States					
Corporate Housing / Serviced Apartment					
Oakwood Dallas Uptown	Bryson Noble LLC	100	9,429	24,488	20,815
Oakwood Miracle Mile	Eighth Wilshire LLC	100	3,359	8,323	7,174
Oakwood Mountain View	Boulevard City LLC	100	9,308	13,781	12,023
Oakwood Portland Pearl District	Everett City LLC	100	1,862	7,897	6,890
Oakwood Raleigh at Brier Creek	Courtney NC LLC	100	77,621	29,928	27,380
Oakwood Redwood City	Boulevard City LLC	100	10,158	12,625	10,019
Oakwood Seattle South Lake Union	Dexter City LLC	100	1,335	8,490	6,325
Oakwood Silicon Valley	Labrador Cascades LLC	100	19,547	19,546	12,144
Vietnam					
Commercial					
CentrePoint	Nguyen Vu Investment Joint Stock Company	100	4,163	44,732	28,129
Mapletree Business Centre	Saigon South Office 1 Co., Ltd	100	1,750	29,570	23,010
SC VivoCity	Mapletree Tan Phong Ltd	62	33,600	62,600	40,300
Corporate Housing / Serviced Apartment					
Oakwood Residence Saigon	Saigon South Serviced Apartments Co., Ltd	100	5,143[3]	34,097	21,081
Industrial					
Mapletree Business City @ Binh Duong	Mapletree Business City (Vietnam) Co., Ltd	100	748,760	706,557	–

Name of Building/Site	Holding Company	Effective Stake (%)	Land Area (sqm)	GFA (sqm)	NLA (sqm)
Logistics					
Mapletree Logistics Park Bac Ninh Phase 2-5	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co., Ltd Mapletree Logistics Park Bac Ninh Phase 3 (Vietnam) Co., Ltd Mapletree Logistics Park Bac Ninh Phase 4 (Vietnam) Co., Ltd Mapletree Logistics Park Bac Ninh Phase 5 (Vietnam) Co., Ltd	100	454,207	255,873	255,873
Mapletree Logistics Park Binh Duong Phase 1, 3-6	Mapletree Logistics Park Phase 1 (Vietnam) Co., Ltd Mapletree Logistics Park Phase 3 (Vietnam) Co., Ltd Mapletree Logistics Park Phase 4 (Vietnam) Co., Ltd Mapletree Logistics Park Phase 5 (Vietnam) Co., Ltd Mapletree Logistics Park Phase 6 (Vietnam) Co., Ltd	100	570,194	375,194	373,087
Mixed-Use					
Kumho Asiana Plaza	Saigon Boulevard Complex Co., Ltd	100	13,632	146,000	80,000
Pacific Place	Ever-Fortune Trading Center Joint Stock Company	100	5,429	26,107	22,674
Residential					
RichLane Residences	Saigon South Serviced Apartments Co., Ltd	100	5,143[3]	28,603	19,210
Sites for Development/Land Leases					
Residential Site at District 2 Ho Chi Minh City	Riverfront TML (Vietnam) Co., Ltd	100	16,684	108,446	83,400

1 The building and land will be returned to the Government when land lease expires on 30 September 2017.
2 Area for entire Mapletree Business City development (including Mapletree Business City I).
3 Combined land area for Oakwood Residence Saigon and RichLane Residences.

For more information on our properties, please visit our website at www.mapletree.com.sg

Awards and Accolades

Investment & Capital Management

6th Place in the 2016 APAC Fund Manager Guide
PERE Magazine
Mapletree Investments Pte Ltd

Vietnam M&A Deal Awards 2016 – Best Real Estate Project Transfer
Vietnam Investment Review and AVM Vietnam
Mapletree Investments Pte Ltd for Kumho Asiana Plaza

2013 Global PERE Awards – Asia Capital Raise of the Year
PERE Magazine
Mapletree Investments Pte Ltd for Mapletree China Opportunity Fund II

Building Excellence

Euromoney Real Estate Awards 2016 – Best Overall Industrial/Warehouse Developer in Singapore
Euromoney
Mapletree Investments Pte Ltd

Euromoney Real Estate Awards 2015 – Best Industrial/Warehouse Developer in Vietnam
Euromoney
Mapletree Investments Pte Ltd

SG Mark Award 2015
Design Business Chamber Singapore
Mapletree Business City II

Universal Design Mark Gold Award 2015
Building and Construction Authority, Singapore
Mapletree Business City II

International Property Awards 2015 – Best International Mixed-Use Architecture
International Property Media
Mapletree Business City Shanghai and VivoCity Shanghai

Vietnam Property Awards 2015 – Best Retail Architectural Design (Winner)
Property Report Magazine
SC VivoCity

Business Sustainability

Patron of the Arts 2016
National Arts Council, Singapore
Mapletree Investments Pte Ltd

BCA Green Mark Champion Award 2015
Building and Construction Authority, Singapore
Mapletree Investments Pte Ltd

Biodiversity Benchmark 2016
Wildlife Trust, United Kingdom
Green Park

2017 LEED BD+C: Core and Shell Gold Level
U.S. Green Building Council
Mapletree Logistics Hub Tsing Yi

2016 LEED India for Core and Shell Development Gold Level
Indian Green Building Council
Global Technology Park (Phase 1)

2016 Precertification for LEED for Core and Shell Development Gold Level
U.S. Green Building Council
Global Technology Park (Phase 2)

2015 Precertification for LEED for Core and Shell Development Gold Level
U.S. Green Building Council
Mapletree Bay Point

2013 Precertification for LEED for Core and Shell Development Gold Level
U.S. Green Building Council
Mapletree Business City Shanghai

2013 Precertification for LEED for Core and Shell Development Gold Level
U.S. Green Building Council
Mapletree Business City II

FIABCI Prix d'Excellence Awards 2012 – Runner-up (Sustainable Development Category)
Federation Internationale des Administrateurs de Bien-Conseils Immobiliers
Mapletree Business City

Retail & Service Experience

AsiaOne People's Choice Awards 2016 – Best Shopping Centre – Top 3
AsiaOne, Singapore
VivoCity

Top 10 Favourite Shopping Mall Award 2016
Hong Kong Economic Times
Festival Walk

Apple Daily Best Mall Awards 2016 – Top 10 My Favourite Mall
Apple Daily, Hong Kong SAR
Festival Walk

2014 Commercial Landmark in Foshan City
Guangzhou Daily, China
VivoCity Nanhai

For more information on our awards and accolades, please visit our website at www.mapletree.com.sg

Financial Statements

Contents

Directors' Statement

For the financial year ended 31 March 2017

The Directors present their statement to the member together with the audited statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity of the Company and the Group, and the audited consolidated statement of cash flows of the Group for the financial year ended 31 March 2017.

In the opinion of the Directors,

(a) The statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity of the Company and the Group and the consolidated statement of cash flows of the Group set out on pages 95 to 171 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2017 and the financial performance and changes in equity of the Company and of the Group and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are as follows:

Cheng Wai Wing Edmund
Cheah Kim Teck (appointed on 1 March 2017)
David Christopher Ryan
Lee Chong Kwee
Ma Kah Woh Paul
Marie Elaine Teo
Samuel N. Tsien
Tsang Yam Pui
Wong Meng Meng
Hiew Yoon Khong

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 in, or debentures of, the Company or any other body corporate, other than those disclosed under "Mapletree Performance Share Units Plan", "Mapletree Restricted Share Units Plan" and "Mapletree NED Restricted Share Units Plan" on pages 91 to 92 of this statement.

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 the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		**Holdings in which a director is deemed to have an interest**	
	At 31.03.17	At 01.04.16/ date of appointment if later	**At 31.03.17**	At 01.04.16/ date of appointment if later
Singapore Technologies Engineering Ltd (Ordinary shares)				
Hiew Yoon Khong	**–**	–	**30,000**	30,000
Singapore Telecommunications Limited (Ordinary shares)				
Ma Kah Woh Paul	**190**	190	**190**	190
Wong Meng Meng	**1,667**	1,667	**1,550**	1,550
Cheah Kim Teck	**177**	177	**–**	–
Starhub Ltd (Ordinary shares)				
Ma Kah Woh Paul	**81,780**	78,580	**–**	–
Lee Chong Kwee	**20,000**	10,000	**–**	–
SIA Engineering Company Limited (Ordinary shares)				
Cheah Kim Teck	**10,000**	10,000	**5,000**	5,000

Share-Based Compensation Plans

The Executive Resource and Compensation Committee ("ERCC") of the Company has been designated as the Committee responsible for the administration of the share-based compensation plans.

(a) Mapletree Performance Share Units Plan and Mapletree Restricted Share Units Plan

The Mapletree Performance Share Units Plan ("Mapletree PSU Plan") and the Mapletree Restricted Share Units Plan ("Mapletree RSU Plan") (collectively referred to as the "Plans") for employees (including executive director) were approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009. The first grant of award under the Plans was made in January 2010. The duration of each share plan is 10 years commencing 4 November 2009.

Under the Plans, awards are granted to eligible participants. Eligible participants of the Plans include selected employees of the Company, its subsidiaries and its associated companies, including executive director.

A Performance Share Unit ("PSU") or Restricted Share Unit ("RSU") granted under the Plans represents a right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, as calculated in accordance with the Plans, provided certain performance conditions and service conditions are met.

Under the Mapletree PSU Plan, awards granted to eligible participants vest immediately upon completion of the performance achievement periods. Awards are released once the ERCC is satisfied that the performance conditions have been achieved.

Similarly, under the Mapletree RSU Plan, a portion of the awards granted to eligible participants vest immediately upon completion of the performance achievement periods and the remaining awards will vest only after a further period of service beyond the performance target completion date. Awards are released once the ERCC is satisfied that the performance conditions have been achieved and extended period of service beyond the performance target completion date have been fulfilled.

Details of the PSU and RSU granted to a director of the Company are as follows:

	Outstanding as at 31.03.17	Outstanding as at 31.03.16
Hiew Yoon Khong		
– PSU to be released after 31.03.2016	**–**	757,500 [1]
– PSU to be released after 31.03.2017	**757,500** [1]	757,500 [1]
– PSU to be released after 31.03.2018	**397,820** [1]	397,820 [1]
– PSU to be released after 31.03.2019	**988,372** [1]	988,372 [1]
– PSU to be released after 31.03.2020	**1,503,106** [1]	1,503,106 [1]
– PSU to be released after 31.03.2021	**1,603,615** [1]	–
– RSU to be released after 31.03.2014	**–**	66,263 [3]
– RSU to be released after 31.03.2015	**119,492** [3]	238,985 [4]
– RSU to be released after 31.03.2016	**333,988** [4]	424,561 [2]
– RSU to be released after 31.03.2017	**482,247** [2]	–

Footnotes:

1 The final number of units to be released will depend on the achievement of pre-determined targets over a five-year performance period. No units will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the initial award could be released up to a maximum of 200% of the initial award.
2 The final number of units to be released will depend on the achievement of pre-determined targets over a one-year performance period and the release will be over a vesting period of three years. No units will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the initial award could be released up to a maximum of 150% of the initial award.
3 Being the unvested one-third of the award.
4 Being the unvested two-thirds of the award.

Directors' Statement

For the financial year ended 31 March 2017

Share-Based Compensation Plans (continued)

(b) Mapletree NED Restricted Share Units Plan

The Mapletree NED Restricted Share Units Plan ("Mapletree NED RSU Plan") was approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009 and are restricted to non-executive directors of the Company. The first grant of award was made in June 2010. The duration of the Mapletree NED RSU Plan is 10 years commencing 4 November 2009.

Under the Mapletree NED RSU Plan, awards are granted to eligible non-executive directors of the Company. A NED Restricted Share Unit ("NED RSU") granted under the Mapletree NED RSU Plan represents a right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, as calculated in accordance with the Mapletree NED RSU Plan. Grants of Mapletree NED RSU made to a non-executive director shall form part of the director's remuneration.

Under the Mapletree NED RSU Plan, awards granted to eligible non-executive directors shall vest at the date of grant. The right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, is exercisable at the discretion of the non-executive directors at the annual pre-determined exercise period, until the date falling on the fifth (5th) anniversary of date of grant of each award.

Details of the NED RSU granted to the non-executive directors of the Company are as follows:

	Outstanding as at 31.03.17	Outstanding as at 31.03.16
Cheng Wai Wing Edmund	**60,668**	60,473
David Christopher Ryan	**13,372**	7,193
Lee Chong Kwee	**35,772**	35,692
Ma Kah Woh Paul	**38,006**	37,872
Samuel N. Tsien	**7,470**	4,121
Tsang Yam Pui	**8,866**	3,158
Wong Meng Meng	**20,992**	15,214

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of directors

Cheng Wai Wing Edmund
Chairman

Hiew Yoon Khong
Group Chief Executive Officer/ Director

17 May 2017

Independent Auditor's Report

to the Member of Mapletree Investments Pte Ltd

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity of Mapletree Investments Pte Ltd (the "Company") and its subsidiaries (the "Group") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance and changes in equity of the Company for the financial year ended on that date and of consolidated financial position of the Group and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the statements of profit or loss for the financial year then ended;
- the statements of comprehensive income for the financial year then ended;
- the statements of financial position as at 31 March 2017;
- the statement of changes in equity – Group for the financial year then ended;
- the statement of changes in equity – Company for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 90 to 92 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditor's Report

to the Member of Mapletree Investments Pte Ltd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 17 May 2017

Statements of Profit or Loss

For the financial year ended 31 March 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Revenue	4	**2,328,835**	1,878,864	**1,778,353**	603,746
Other gains – net	5	**1,125,865**	766,066	**3,080**	339,155
Expenses					
– Depreciation and amortisation		**(11,707)**	(6,283)	**(4,539)**	(4,227)
– Employee compensation	6	**(309,801)**	(197,312)	**(170,113)**	(88,201)
– Utilities and property maintenance		**(184,268)**	(135,322)	**(659)**	(622)
– Property and related taxes		**(145,773)**	(118,846)	**(61)**	(17)
– Marketing and promotion expenses		**(30,108)**	(20,578)	**(6,101)**	(3,541)
– Professional fees		**(67,127)**	(36,179)	**(1,353)**	(3,464)
– Property rental expenses		**(43,033)**	(4,116)	**(4,139)**	(3,789)
– Others		**(66,818)**	(42,986)	**(9,664)**	(7,949)
		2,596,065	2,083,308	**1,584,804**	831,091
Finance cost		**(339,969)**	(252,447)	**–**	–
Finance income		**8,288**	6,293	**16,270**	5,642
Finance (cost)/income – net	7	**(331,681)**	(246,154)	**16,270**	5,642
Share of profit of associated companies		**103,034**	60,387	**–**	–
Share of loss of joint ventures		**(663)**	(2,035)	**–**	–
Profit before income tax		**2,366,755**	1,895,506	**1,601,074**	836,733
Income tax (expense)/credit	8(a)	**(198,743)**	(154,369)	**21,376**	(2,548)
Profit for the financial year		**2,168,012**	1,741,137	**1,622,450**	834,185
Profit attributable to:					
Equity holder of the Company		**1,349,590**	915,656	**1,622,450**	834,185
Perpetual securities holders		**64,099**	49,563	**–**	–
Non-controlling interests		**754,323**	775,918	**–**	–
		2,168,012	1,741,137	**1,622,450**	834,185

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

Statements of Comprehensive Income

For the financial year ended 31 March 2017

	Note	Group		Company	
		2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Profit for the financial year		**2,168,012**	1,741,137	**1,622,450**	834,185
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets					
– Fair value gains/(losses)	12	**4,426**	(7,479)	**–**	–
Cash flow hedges					
– Fair value losses		**(17,252)**	(34,266)	**–**	–
– Reclassification	7	**34,327**	15,637	**–**	–
Currency translation differences		**45,588**	(190,886)	**–**	–
Share of other comprehensive income of associated companies/joint ventures					
– Fair value gains/(losses) on cash flow hedges		**666**	(1,112)	**–**	–
– Currency translation differences		**(22,358)**	(48,252)	**–**	–
Items that will not be reclassified subsequently to profit or loss:					
Revaluation gains on property, plant and equipment		**12,866**	–	**–**	–
Other comprehensive income/(loss) for the financial year, net of tax		**58,263**	(266,358)	**–**	–
Total comprehensive income for the financial year		**2,226,275**	1,474,779	**1,622,450**	834,185
Total comprehensive income attributable to:					
Equity holder of the Company		**1,370,512**	756,507	**1,622,450**	834,185
Perpetual securities holders		**64,099**	49,563	**–**	–
Non-controlling interests		**791,664**	668,709	**–**	–
		2,226,275	1,474,779	**1,622,450**	834,185

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

Statements of Financial Position

As at 31 March 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**1,179,823**	1,026,970	**11,245**	10,918
Derivative financial instruments	21	**22,287**	27,318	**–**	–
Trade and other receivables	10	**485,992**	318,667	**3,354,933**	1,689,068
Property held for sale		**41,157**	16,495	**–**	–
Other assets	11	**270,270**	218,461	**107,741**	1,885
Inventories		**17,134**	–	**–**	–
		2,016,663	1,607,911	**3,473,919**	1,701,871
Non-current assets					
Trade and other receivables	10	**58,946**	47,607	**2,121,193**	2,108,617
Available-for-sale financial assets	12	**142,965**	138,378	**–**	–
Derivative financial instruments	21	**88,272**	49,309	**–**	–
Investments in associated companies	13	**1,124,323**	797,068	**–**	–
Investments in joint ventures	14	**154,640**	73,891	**–**	–
Investments in subsidiaries	15	**–**	–	**2,144,471**	2,335,583
Investment properties	16	**30,686,434**	28,563,613	**–**	–
Properties under development	17	**1,662,550**	1,647,231	**–**	–
Property, plant and equipment	18	**175,568**	11,252	**7,456**	7,717
Intangible assets	19	**144,045**	16,516	**6,041**	7,199
Other assets	11	**4,776**	5,221	**–**	–
Deferred income taxes	23	**–**	–	**22,175**	–
		34,242,519	31,350,086	**4,301,336**	4,459,116
Total assets		**36,259,182**	32,957,997	**7,775,255**	6,160,987
LIABILITIES					
Current liabilities					
Trade and other payables	20	**1,044,495**	876,275	**195,708**	70,163
Derivative financial instruments	21	**41,111**	27,144	**–**	–
Borrowings	22	**1,125,374**	2,260,209	**–**	–
Current income tax liabilities		**142,236**	115,925	**7,774**	5,929
Finance lease liabilities		**2,104**	–	**–**	–
		2,355,320	3,279,553	**203,482**	76,092
Non-current liabilities					
Trade and other payables	20	**320,254**	287,522	**89,585**	59,352
Derivative financial instruments	21	**105,867**	103,090	**–**	–
Borrowings	22	**11,970,093**	10,959,123	**–**	–
Finance lease liabilities		**3,215**	–	**–**	–
Deferred income taxes	23	**280,614**	268,968	**–**	1,205
		12,680,043	11,618,703	**89,585**	60,557
Total liabilities		**15,035,363**	14,898,256	**293,067**	136,649
NET ASSETS		**21,223,819**	18,059,741	**7,482,188**	6,024,338
EQUITY					
Share capital	24	**3,094,307**	3,094,307	**3,094,307**	3,094,307
Retained earnings		**8,073,969**	6,883,564	**4,387,881**	2,930,031
Foreign currency translation reserve		**(34,084)**	(29,261)	**–**	–
Revaluation reserve		**12,866**	–	**–**	–
Hedge reserve		**(8,974)**	(17,427)	**–**	–
Fair value reserve		**44,983**	40,557	**–**	–
Capital and other reserves		**1,005**	(30,408)	**–**	–
Shareholder's funds		**11,184,072**	9,941,332	**7,482,188**	6,024,338
Perpetual securities	25	**1,817,833**	941,086	**–**	–
Non-controlling interests	36	**8,221,914**	7,177,323	**–**	–
Total equity		**21,223,819**	18,059,741	**7,482,188**	6,024,338

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

Statement of Changes in Equity – Group

As at 31 March 2017

	Note	Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Hedge reserve $'000	Fair value reserve $'000	Capital and other reserves $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2016		**3,094,307**	**6,883,564**	**(29,261)**	**–**	**(17,427)**	**40,557**	**(30,408)**	**941,086**	**7,177,323**	**18,059,741**
Profit for the financial year		–	1,349,590	–	–	–	–	–	64,099	754,323	2,168,012
Other comprehensive (loss)/ income for the financial year		–	–	(4,823)	12,866	8,453	4,426	–	–	37,341	58,263
Total comprehensive income/ (loss) for the financial year		**–**	**1,349,590**	**(4,823)**	**12,866**	**8,453**	**4,426**	**–**	**64,099**	**791,664**	**2,226,275**
Dividend relating to 2016 paid	32	–	(164,600)	–	–	–	–	–	–	–	(164,600)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	(510,494)	(510,494)
Restricted profits		–	(770)	–	–	–	–	770	–	–	–
Capital contribution from non–controlling interests		–	–	–	–	–	–	–	–	852,450	852,450
Dilution of interest in subsidiaries to non-controlling interests		–	–	–	–	–	–	30,643	–	(26,982)	3,661
Deconsolidation of a subsidiary		–	–	–	–	–	–	–	–	(62,047)	(62,047)
Perpetual securities issued, net of issuance costs	25	–	–	–	–	–	–	–	867,562	–	867,562
Perpetual securities – distribution paid		–	–	–	–	–	–	–	(54,914)	–	(54,914)
Tax credit arising from perpetual securities distribution	8(c)	–	6,185	–	–	–	–	–	–	–	6,185
Total transactions with owners, recognised directly in equity		**–**	**(159,185)**	**–**	**–**	**–**	**–**	**31,413**	**812,648**	**252,927**	**937,803**
At 31 March 2017		**3,094,307**	**8,073,969**	**(34,084)**	**12,866**	**(8,974)**	**44,983**	**1,005**	**1,817,833**	**8,221,914**	**21,223,819**

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

Statement of Changes in Equity – Group

As at 31 March 2017

	Note	Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Hedge reserve $'000	Fair value reserve $'000	Capital and other reserves $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2015		3,094,307	6,093,480	104,234	748	48,036	(10,675)	941,086	7,124,024	17,395,240
Profit for the financial year		–	915,656	–	–	–	–	49,563	775,918	1,741,137
Other comprehensive loss for the financial year		–	–	(133,495)	(18,175)	(7,479)	–	–	(107,209)	(266,358)
Total comprehensive income/ (loss) for the financial year		–	915,656	(133,495)	(18,175)	(7,479)	–	49,563	668,709	1,474,779
Dividend relating to 2015 paid	32	–	(130,800)	–	–	–	–	–	–	(130,800)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	(485,709)	(485,709)
Capital contribution from non-controlling interests		–	–	–	–	–	–	–	77,414	77,414
Acquisition of interests in subsidiaries from non-controlling interests		–	–	–	–	–	(19,733)	–	(207,115)	(226,848)
Perpetual securities – distribution paid		–	–	–	–	–	–	(49,563)	–	(49,563)
Tax credit arising from perpetual securities distribution	8(c)	–	5,228	–	–	–	–	–	–	5,228
Total transactions with owners, recognised directly in equity		–	(125,572)	–	–	–	(19,733)	(49,563)	(615,410)	(810,278)
At 31 March 2016		3,094,307	6,883,564	(29,261)	(17,427)	40,557	(30,408)	941,086	7,177,323	18,059,741

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

Statement of Changes in Equity – Company

As at 31 March 2017

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
As at 1 April 2016		**3,094,307**	**2,930,031**	**6,024,338**
Total comprehensive income for the financial year		–	1,622,450	1,622,450
Dividend relating to 2016 paid	32	–	(164,600)	(164,600)
As at 31 March 2017		**3,094,307**	**4,387,881**	**7,482,188**
As at 1 April 2015		3,094,307	2,226,646	5,320,953
Total comprehensive income for the financial year		–	834,185	834,185
Dividend relating to 2015 paid	32	–	(130,800)	(130,800)
As at 31 March 2016		3,094,307	2,930,031	6,024,338

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

	Note	**2017 $'000**	2016 $'000
Cash flows from operating activities			
Profit for the financial year		**2,168,012**	1,741,137
Adjustments for:			
– Income tax expense		**198,743**	154,369
– Write-back of doubtful debts		**(250)**	(9)
– Provision for doubtful debts		**369**	222
– Bad debts written off		**201**	–
– Amortisation of rent-free incentives		**(9,562)**	993
– Amortisation of intangible assets		**1,591**	1,517
– Depreciation of property, plant and equipment		**10,116**	4,766
– Intangible assets and property, plant and equipment written-off		**55**	47
– Gain on disposal of property, plant and equipment		**(19)**	–
– Corporate restructuring surplus on disposal of subsidiaries	37(d)	**(153,509)**	–
– Loss/(Gain) on disposal of investment properties		**3,113**	(10,818)
– Gain on disposal of available-for-sale financial assets		**–**	(825)
– Gain on disposal of subsidiary, associated companies and/or joint venture – net		**–**	(971)
– Finance cost		**339,969**	252,447
– Finance income		**(8,288)**	(6,293)
– Revaluation gain on investment properties and properties under development – net		**(996,818)**	(735,728)
– Fair value changes in financial derivatives		**27,208**	(65,014)
– Share of profit of associated companies and joint ventures – net		**(102,371)**	(58,352)
– Dividend income		**(4,198)**	(4,460)
– Unrealised currency translation losses		**50,932**	53,072
Operating cash flow before working capital changes		**1,525,294**	1,326,100
Change in operating assets and liabilities			
– Trade and other receivables		**(68,399)**	(15,237)
– Inventories		**(1,310)**	–
– Other assets		**(5,231)**	21,260
– Trade and other payables		**122,350**	56,208
Cash generated from operations		**1,572,704**	1,388,331
Income tax paid		**(134,332)**	(107,914)
Net cash generated from operating activities		**1,438,372**	1,280,417

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

	Note	2017 $'000	2016 $'000
Cash flows from investing activities			
Loan to a non-related party		**(4,004)**	(8,585)
Loan to a non-controlling interest	10(d)	**–**	(151,380)
Cash received and to be repaid to an associated company		**10,603**	45,205
Purchases of available-for-sale financial assets		**–**	(818)
Proceeds from disposal of available-for-sale financial assets		**–**	6,029
Deposit for investment properties	11	**(154,014)**	(109,780)
Prepayments for properties under development	11	**(41,649)**	(50,142)
Payments for investments in associated companies and joint ventures		**(375,406)**	(139,868)
Payments for investment properties		**(1,426,449)**	(2,359,120)
Payments for properties under development		**(623,579)**	(521,205)
Payments for intangible assets and property, plant and equipment		**(7,078)**	(7,400)
Dividend received from associated companies and joint ventures		**22,420**	23,485
Dividend received from third parties		**4,198**	4,460
Capital return from associated companies and joint ventures		**115,699**	165,774
Interest received		**6,092**	5,156
Proceeds from divestment of investment properties		**14,088**	33,176
Proceeds from disposals of property, plant and equipment		**375**	–
Repayment of loan from associated companies		**–**	31,560
Payments of transaction costs related to the issue of units in a subsidiary		**(10,717)**	–
Acquisition of subsidiaries, net of cash acquired	37	**(578,145)**	(736,300)
Disposal of subsidiaries, net of cash disposed off	37(d)	**266,314**	–
Net cash used in investing activities		**(2,781,252)**	(3,769,753)
Cash flows from financing activities			
Repayment of bank loans		**(11,186,890)**	(5,845,669)
Proceeds from issuance of medium term notes		**587,692**	555,000
Proceeds from bank loans		**11,358,625**	9,108,497
Proceeds from loan from non-controlling interests		**105,738**	17,275
Series A redeemable preference shares dividends paid		**(15,700)**	(15,700)
Ordinary shares dividend paid		**(148,900)**	(115,100)
Perpetual securities distribution paid		**(54,914)**	(49,563)
Proceeds from issuance of perpetual securities, net of transaction costs		**867,562**	–
Interest paid on bank borrowings, derivative financial instruments and medium term notes		**(340,581)**	(225,177)
Interest paid on loan from a non-controlling interest		**(1,051)**	–
Financing fees paid		**(18,256)**	(7,912)
Proceeds from dilution of interest in subsidiaries to a non-controlling interests		**7,311**	–
Payment for additional interest in a subsidiary	37(c)	**–**	(226,848)
Capital contribution from non-controlling interests		**846,388**	26,955
Cash dividend paid to non-controlling interests		**(497,364)**	(435,250)
Net cash generated from financing activities		**1,509,660**	2,786,508
Net increase in cash and cash equivalents held		**166,780**	297,172
Cash and cash equivalents at beginning of financial year	9	**1,026,970**	751,979
Effect of exchange rate changes on balances held in foreign currencies		**(13,927)**	(22,181)
Cash and cash equivalents at end of the financial year	9	**1,179,823**	1,026,970

Significant non-cash transactions

Dividends of $13.1 million (2016: $50.5 million) were paid to non-controlling interests in the form of units in subsidiaries.

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

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

1. General information

Mapletree Investments Pte Ltd (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is as follows: 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438.

The principal activities of the Company and the Group are those relating to investment holding, provision of marketing consultancy and provision of asset and fund management, property development and investment, marketing and lease administration, administrative and support services to related companies.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") 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.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Group's activities, net of goods and services or value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as below:

(a) Leasing income

Leasing income from operating leases, adjusted for rent free incentives and service charges from the investment properties, is recognised on a straight-line basis over the lease term.

Leasing income from corporate housing operations are recognised as earned over the term of the leases, which are generally one year or less, net of occupancy and other taxes assessed by various governmental entities.

(b) Income from hotel operations

Revenue from hotel operations is recognised when accommodation and related services are provided.

(c) Rendering of services

Service income from the provision of property development, fund and asset management, marketing and lease administration, administrative and support services is recognised when services are rendered.

Car parking fees are recognised on utilisation of the Group's car parking facilities by tenants and visitors.

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(e) Dividend income

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

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests and perpetual securities holders comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holder of the Company. They are shown separately in the consolidated statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for acquisition of subsidiaries which constitutes a business combination.

The consideration transferred for the acquisition of the subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired is recorded as goodwill.

Please refer to Note 2.5(b) "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

For acquisition of subsidiaries which do not qualify as business combination, the transaction is accounted for in accordance with the respective accounting policy for the assets acquired and the liabilities assumed.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings, if required by FRS.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals (continued)

Please refer to Note 2.9 "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owner of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised to capital and other reserves within equity attributable to the equity holder of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group have no control but has significant influence over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group generally holds 20% or more of the voting rights of these entities.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures 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. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Gains or losses from transactions of investment properties (including those under redevelopment) or properties under development and measured at fair value (Note 2.7) are deemed as realised and therefore not eliminated.

The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.9 "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

Leasehold land and building

Leasehold land and building relates to a hotel property owned by the Group, is initially recognised at cost and subsequently carried at the revalued amounts less accumulated depreciation and any accumulated impairment losses. Fair value of the leasehold land and building is determined by independent professional valuers on an annual basis to ensure that its carrying amount do not differ materially from its fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount shall be recognised to other comprehensive income and accumulated in equity under the revaluation reserve. However, the increase shall be recognised in the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss. A revaluation deficit shall be recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

Any accumulated depreciation at the revaluation date is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Other assets

Other assets comprise mainly furniture, machinery and office equipment. These assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost 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.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives.

	Useful lives
Leasehold land and building	Over the remaining lease period of 30 years from June 2016
Other assets	3 – 25 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting 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 subsequent expenditure is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. For the leasehold land and building carried at fair value, any amount in revaluation reserve is transferred to retained earnings directly.

2. Significant accounting policies (continued)

2.5 Intangible assets

(a) Acquired intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in business combination is their fair value at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives. The amortisation period and amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are not amortised. The useful life is reviewed annually to determine whether the indefinite useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(i) Computer software licenses

Acquired computer software licenses are amortised to profit or loss using the straight-line method over their estimated useful lives of three to ten years.

(ii) Trade names

The trade names were acquired in business combination. The useful lives of the trade names are estimated to be indefinite because based on the current market share of the trade names, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

(iii) Customer-related intangibles

The customer-related intangibles were acquired in business combination and include customer relationships, franchise agreements and management agreements. These customer-related assets bear definite useful lives of four to 15 years.

(b) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries or businesses accounted for as business combination represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

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

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2. Significant accounting policies (continued)

2.7 Investment properties and properties under development

Investment properties (including those under redevelopment) and properties under development are held for long-term lease yields and/or for capital appreciation and are not substantially occupied by the Group.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined at least annually by management or independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Properties that are being constructed or developed for future use as investment properties are carried at fair value. Where the fair value of the investment properties under development cannot be reliably measured, the properties are measured at cost until the earlier of the completion date of construction or at the date which fair value becomes reliably measurable.

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

If an investment property becomes substantially owner-occupied, it is reclassified to property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

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

2.8 Property held for sale

Property held for sale is those property which is held with the intention of development and sale in the ordinary course of business. It is stated at the lower of cost or net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The cost of property held for sale comprises specifically identified costs, including acquisition costs, development expenditure, capitalised borrowing costs and other related expenditures.

The aggregated costs incurred are presented as property held for sale in the statements of financial position.

2.9 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's statements of financial position.

On disposal of such investments, the differences between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.10 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

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

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

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

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

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) Other non-financial assets

The Group's other non-financial assets include other intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures.

For non-financial assets except for trade names with indefinite useful life, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Trade names with indefinite useful life are tested for impairment at least annually and whenever there is indication that the trade names may be impaired.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or groups of assets.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

The Group assesses at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Reversal of an impairment loss is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation or amortisation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.11 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: (i) financial assets at fair value through profit or loss; (ii) loans and receivables; and (iii) available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

(ii) 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 expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "Cash and cash equivalents" (Note 9), "Trade and other receivables" (Note 10) and "Other assets" (Note 11) on the statements of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(b) Recognition and derecognition

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 the sale proceeds is recognised in profit or loss. Any amount previously recognised in the fair value reserve relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

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

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidences 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 recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance 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

A significant or prolonged decline in the fair value of an equity security below its cost and/or the disappearance of an active trading market for the security 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 securities are not reversed through profit or loss.

2. Significant accounting policies (continued)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Such contracts are classified as financial liabilities or as insurance contracts.

(a) Financial guarantees classified as financial liabilities

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

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 banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Intra-group transactions are eliminated on consolidation.

(b) Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

Intra-group transactions are eliminated on consolidation.

2.13 Borrowings

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.

Borrowings which are due to be settled within 12 months after the reporting date are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the reporting date are presented as non-current borrowings in the statements of financial position.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps to hedge its interest rate and foreign currency risk exposures.

A derivative financial instrument 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 either: (a) cash flow hedge, (b) net investment hedge, or (c) fair value hedge.

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

2. Significant accounting policies (continued)

2.15 Derivative financial instruments and hedging activities (continued)

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 fair value or 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.

(a) Cash flow hedge

(i) Interest rate swaps

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

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedge reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

(iii) Cross currency interest rate swaps

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowing and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense and/or exchange differences from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(b) Net investment hedge

The Group has derivative financial instruments/borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the hedging instruments relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(c) Fair value hedge

The Group has entered into fixed to floating interest rate swaps that are fair value hedges for the fair value exposures to interest rate movements of its borrowings ("hedged item"). The fair value changes on the hedged item resulting from the fair value risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

2. Significant accounting policies (continued)

2.16 Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used 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 based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows analysis, are also used to determine the fair values of the 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 financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.19 Leases

(a) When the Group is the lessee:

Operating leases

Leases where substantially all the risks and rewards incidental to ownership are retained by the lessors 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 has expired, 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.

(b) When the Group is the lessor:

Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

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

2.20 Income taxes

Current income tax for current and prior periods is 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 reporting 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 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.

2. Significant accounting policies (continued)

2.20 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, 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.

Deferred income tax is measured:

(i) 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 reporting date; and

(ii) Based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses 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 arising from business combination is adjusted against goodwill on acquisition.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

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

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) Share-based compensation

The Group operates the following share-based compensation plans:

(i) Company

The Company operates the Mapletree Performance Share Units Plan ("Mapletree PSU Plan"), Mapletree Restricted Share Units Plan ("Mapletree RSU Plan") and Mapletree NED Restricted Share Units Plan ("Mapletree NED RSU Plan").

(ii) Subsidiaries

The Group's wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd, each operate a Performance Share Units Plan ("REIT PSU Plan") and a Restricted Share Units Plan ("REIT RSU Plan").

Equity-settled share-based compensation is measured at fair value at the date of grant, whereas cash-settled share-based compensation is measured at current fair value at each reporting date. In estimating the fair value of the compensation cost at grant date, market-based performance conditions are taken into account. The compensation cost is recognised as an expense in profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employees under the respective plans over the vesting period.

For equity-settled share-based compensation, any change in fair value of the compensation cost at year end, arising from a change in the estimate of the number of rights/units that are expected to become exercisable on the vesting date, is recognised in profit or loss, with a corresponding adjustment to the share compensation reserve over the remaining vesting period.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(c) Share-based compensation (continued)

For cash-settled share-based compensation, any change in fair value of the compensation cost, arising from the re-measurement of liability at each reporting date, is recognised in profit or loss, with a corresponding adjustment to the liability over the remaining vesting period.

When an equity-settled share-based compensation award is modified to become a cash-settled award, this is accounted for as a repurchase of an equity interest. Any excess over the fair value at the date of the grant is treated as a deduction from equity, provided the deduction is not greater than the fair value of the equity instruments when measured at the modification date. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

The compensation cost for the respective PSU Plans and RSU Plans are measured based on the latest estimate of the number of units that will be awarded based on non-market vesting conditions at each reporting date. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

The compensation cost for the Mapletree NED RSU Plan is based on the number of units awarded at the date of grant. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

Where the terms of the share-based compensation plans are modified, the expense that is not yet recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the rights/units due to the modification, as measured at the date of the modification.

2.22 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 financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(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 exchange differences resulting 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 reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated foreign currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses are presented in profit or loss within "Other gains – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(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 exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

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

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Committee ("EMC") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings on the statements of financial position.

2.25 Share capital and perpetual securities

Ordinary shares, perpetual securities and redeemable preference shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entities that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new ordinary or redeemable preference shares or perpetual securities are shown in equity as a deduction, net of tax, from proceeds. The proceeds received net of any directly attributable transactions costs are credited to share capital or perpetual securities.

2.26 Dividends

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

2.27 Government grants

Government grants are recognised as receivables at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

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) Fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment

Investment properties (Note 16), properties under development (Note 17) and leasehold land and building classified under property, plant and equipment (Note 18) are stated at fair value based on valuation primarily by independent professional valuers. The fair values are based on highest and best use basis.

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

(a) Fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment (continued)

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flows, direct comparison method and residual value method, where appropriate (Note 29).

The fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment are as disclosed in the respective notes.

(b) Income tax

The Group has exposure to taxes in numerous jurisdictions. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. Significant estimates and assumptions are required to determine the amount of current and deferred tax that can be recognised, and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the statement of financial position.

(c) Acquisition of real estate assets

The Group acquires properties either directly or indirectly through the purchase of entities which own these properties. At the time of acquisition, the Group considers whether the purchase of entities constitute a business combination. In cases where the property is capable of being operated as a business, or an integrated set of activities is acquired in addition to the property, the Group accounts for the acquisition as a business combination. When the acquisition does not represent a business, it is accounted for as a purchase of a group of assets and liabilities. In making this distinction, the Group identifies and considers the assets purchased and processes transferred (“elements”), assesses the capability of those elements to generate economic benefits and assesses the impact of any missing elements on a third party’s ability to generate economic benefits.

Based on management's assessment, all properties acquired during the financial year did not represent acquisition of businesses except for the acquisition of Kumho Asiana Plaza Saigon Co. Ltd. (Note 37(a)) and were accounted for as a purchase of a group of assets and liabilities accordingly.

(d) Classification of real estate assets as investment property

Judgement is applied in determining whether the Group’s investment in the following classes of real estate assets are investment properties or property, plant and equipment:

- Student housing properties
- Corporate housing properties
- Serviced apartments
- Hotel property

The key criteria used in the determination is the level of ancillary services provided to tenants or guests and the length of stay at these properties. Only properties with significant level of ancillary services provided and shorter length of stay will be classified as property, plant and equipment.

Based on management's assessment, all of the above classes of real estate assets are classified as investment properties (Note 16) except for a hotel property acquired during the financial year which is classified as property, plant and equipment (Note 18).

4. Revenue

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Leasing income from				
– Investment properties	**1,785,117**	1,464,500	**–**	–
– Corporate housing operations	**55,478**	–	**–**	–
Income from hotel operations	**33,202**	–	**–**	–
Service charge	**226,727**	194,366	**–**	–
Fees from management services				
– Subsidiaries	**–**	–	**119,035**	123,316
– Others	**78,863**	84,490	**–**	–
Car parking fees	**49,084**	44,875	**–**	–
Dividend income from third parties	**4,198**	4,460	**–**	–
Dividend income from subsidiaries	**–**	–	**1,659,190**	480,299
Interest income from loan to an unrelated party	**3,410**	3,093	**–**	–
Other operating income	**92,756**	83,080	**128**	131
	2,328,835	1,878,864	**1,778,353**	603,746

5. Other gains – net

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Amortisation of financial guarantee contracts	**–**	–	**3,080**	3,080
Reversal of impairment loss in a subsidiary	**–**	–	**–**	336,075
Revaluation gain on investment properties and properties under development – net	**996,818**	735,728	**–**	–
Corporate restructuring surplus on disposal of subsidiaries (Note 37(d))	**153,509**	–	**–**	–
(Loss)/Gain on disposal of:				
– Investment properties	**(3,113)**	10,818	**–**	–
– Subsidiary, associated companies and joint venture – net	**–**	971	**–**	–
– Available-for-sale financial assets	**–**	825	**–**	–
	(3,113)	12,614	**–**	–
– Currency exchange gain/(loss) – net	**5,859**	(47,290)	**–**	–
– Changes in fair value of derivative financial instruments	**(27,208)**	65,014	**–**	–
	1,125,865	766,066	**3,080**	339,155

The net revaluation gain on investment properties and properties under development attributable to the equity holder of the Company and to non-controlling interests of the Group amounted to $684.6 million (2016: $398.7 million) and $312.2 million (2016: $337.0 million) respectively.

6. Employee compensation

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Wages and salaries	**274,477**	171,888	**140,035**	66,844
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	**14,014**	11,512	**8,914**	7,445
Share-based compensation expenses	**21,310**	13,912	**21,164**	13,912
	309,801	197,312	**170,113**	88,201

Employee headcount was 3,414 (2016: 2,023) as at 31 March 2017.

7. Finance (cost)/income – net

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Financing fees	**(14,261)**	(13,918)	**–**	–
Interest expense				
– Bank borrowings	**(204,566)**	(168,487)	**–**	–
– Derivative instruments – hedge accounting	**(34,327)**	(15,637)	**–**	–
– Derivative instruments – non-hedge accounting	**(8,367)**	(2,082)	**–**	–
– Medium term notes	**(75,537)**	(52,323)	**–**	–
– Loans from a non-controlling interest of subsidiaries	**(2,869)**	–	**–**	–
– Finance lease liabilities	**(42)**	–	**–**	–
	(325,708)	(238,529)	**–**	–
Interest income				
– Subsidiaries	**–**	–	**16,243**	5,621
– Short-term bank deposits	**5,306**	4,089	**27**	21
– Others	**2,982**	2,204	**–**	–
	8,288	6,293	**16,270**	5,642
	(331,681)	(246,154)	**16,270**	5,642

8. Income tax expense/(credit)

(a) Income tax expense/(credit)

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Tax expense/(credit) attributable to profit is made up of:				
Profit for the financial year:				
Current income tax				
– Singapore	**76,623**	74,852	**1,974**	3,633
– Foreign	**56,769**	36,217	**–**	–
	133,392	111,069	**1,974**	3,633
Deferred income tax	**46,277**	36,600	**(10,970)**	124
Withholding tax	**22,108**	16,991	**–**	–
	201,777	164,660	**(8,996)**	3,757
(Over)/Under provision in prior financial years:				
– Current income tax	**(7,648)**	1,148	**30**	(1,209)
– Deferred income tax	**4,614**	(11,439)	**(12,410)**	–
	198,743	154,369	**(21,376)**	2,548

8. Income tax expense/(credit) (continued)

(a) Income tax expense/(credit) (continued)

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

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Profit before income tax	**2,366,755**	1,895,506	**1,601,074**	836,733
Tax calculated at a tax rate of 17% (2016: 17%)	**402,348**	322,236	**272,183**	142,245
Effects of:				
– Singapore statutory stepped income exemption	**(2,519)**	(2,902)	**(36)**	(46)
– Revaluation gain on investment properties and properties under development not subject to tax	**(145,409)**	(108,488)	**–**	–
– Income not subject to tax	**(36,232)**	(23,142)	**(282,622)**	(139,333)
– Expenses not deductible for tax purposes	**47,891**	33,716	**1,479**	891
– Unrecognised tax benefits	**4,860**	3,950	**–**	–
– Recognition of previously unrecognised tax losses	**(1,480)**	(4,116)	**–**	–
– Tax losses not allowed for carry forward	**7,702**	580	**–**	–
– Tax calculated on share of profit of associated companies and joint ventures	**(17,403)**	(8,008)	**–**	–
– Different tax rates in other countries	**4,613**	4,093	**–**	–
– Income from REITs not subject to tax	**(61,113)**	(51,063)	**–**	–
– Foreign source income subject to withholding tax	**5,370**	4,581	**–**	–
– Others	**(6,851)**	(6,777)	**–**	–
Tax charge/(credit) on profit for the financial year	**201,777**	164,660	**(8,996)**	3,757

(b) Tax charge of $1.0 million (2016: $1.2 million) relating to fair value changes and reclassification adjustments on cash flow hedges has been included in other comprehensive income.

(c) Tax credit of $6.2 million (2016: $5.2 million) relating to perpetual securities distribution has been recognised directly in equity.

9. Cash and cash equivalents

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Cash at bank and on hand	**881,735**	830,660	**8,236**	6,918
Short-term bank deposits	**298,088**	196,310	**3,009**	4,000
	1,179,823	1,026,970	**11,245**	10,918

Short-term bank deposits of the Group and the Company at the reporting date had an average maturity of 49 days (2016: 39 days) from the end of the financial year. The effective interest rates at reporting date ranged from 0.30% to 4.70% (2016: 0.10% to 5.50%) per annum and the interest rates are re-priced upon maturity.

10. Trade and other receivables

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Current				
Trade receivables:				
– Subsidiaries	**–**	–	**9,158**	7,100
– Associated companies	**21,147**	36,932	**–**	–
– Non-related parties	**138,420**	33,393	**–**	–
	159,567	70,325	**9,158**	7,100
Less: Allowance for impairment of non-related parties receivables	**(1,060)**	(264)	**–**	–
Trade receivables – net	**158,507**	70,061	**9,158**	7,100
Deposits placed with a subsidiary	**–**	–	**2,633,809**	851,590
Loan to a non-controlling interest of a subsidiary	**147,558**	151,380	**–**	–
Interest receivable:				
– Subsidiaries	**–**	–	**6,881**	1,776
– Non-related parties	**4,342**	2,146	**–**	–
	4,342	2,146	**6,881**	1,776
Dividend receivable	**5,382**	–	**287,300**	408,025
Goods and Service Tax ("GST") receivable – net	**–**	–	**600**	504
Non-trade receivables due from subsidiaries	**–**	–	**417,003**	417,307
Non-trade receivables due from an associated company	**18,481**	–	**–**	–
Sundry debtors	**19,759**	44,469	**–**	–
Accrued revenue	**131,963**	50,611	**182**	2,766
	175,585	95,080	**705,085**	828,602
	485,992	318,667	**3,354,933**	1,689,068
Non-current				
Non-trade receivables due from an associated company	**2,053**	–	**–**	–
Loan to a non-related party	**48,989**	47,607	**–**	–
Loans to subsidiaries	**–**	–	**2,121,193**	2,108,617
Accrued revenue	**7,904**	–	**–**	–
	58,946	47,607	**2,121,193**	2,108,617
	544,938	366,274	**5,476,126**	3,797,685

10. Trade and other receivables (continued)

Current

(a) Deposits placed with a subsidiary mature within six months (2016: six months) from the end of the financial year. The effective interest rates on the deposits at reporting date ranged from 0.84% to 1.11% (2016: 0.84% to 1.07%) per annum. The interest rates are re-priced upon maturity.

(b) Non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

(c) Non-trade receivables due from an associated company is unsecured, interest-free and repayment is expected within the next 12 months.

(d) The loan to a non-controlling interest of a subsidiary is secured and bears 1% interest per annum. The loan forms part of the consideration for the Group's acquisition of a land parcel in Japan from the non-controlling interest. The loan will be reclassified to properties under development upon the transfer of the land title to the Group which is expected to be within the next 12 months.

Non-current

(a) Non-trade receivables due from an associated company is unsecured, interest-free and repayment is not expected within the next 12 months.

(b) The loan to a non-related party is secured, bears interest at 7% (2016: 7%) per annum plus a variable component based on the gross profit of the borrower and is repayable in full by October 2021 (2016: February 2021).

(c) The loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, although repayments are not expected within the next 12 months.

There is no allowance for doubtful debts arising from these outstanding balances.

11. Other assets

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Current				
Deposits	**145,433**	125,775	**106,791**	747
Prepayments	**124,837**	92,686	**950**	1,138
	270,270	218,461	**107,741**	1,885
Non-current				
Deposits	**3,276**	3,742	**–**	–
Prepayments	**1,500**	1,479	**–**	–
	4,776	5,221	**–**	–
	275,046	223,682	**107,741**	1,885

Deposits

As at 31 March 2017, a deposit amounting to approximately $106.6 million was placed to acquire a portfolio of student accommodation and multi-family assets in the United States and Canada. The agreement was signed on 7 April 2017.

As at 31 March 2016, a deposit of approximately $109.8 million placed was in relation to the acquisition of the portfolio of business park offices in Thames Valley, Reading, United Kingdom ("UK"). The acquisition was completed on 18 May 2016 (Note 37(b)).

Prepayments

As at 31 March 2017, there were four (2016: three) acquired land parcels in the People's Republic of China ("PRC") amounting to approximately $41.6 million (2016: $29.8 million), pending receipt of their respective land certificates from the PRC land authorities. Accordingly, the considerations paid prior to year end were classified as prepayments as at year end.

12. Available-for-sale financial assets

	Group	
	2017 **$'000**	2016 $'000
At 1 April	**138,378**	150,243
Additions	**–**	821
Disposal to an associated company	**–**	(5,204)
Fair value gains/(losses) recognised in other comprehensive income	**4,426**	(7,479)
Currency translation differences	**161**	(3)
At 31 March	**142,965**	138,378
Quoted equity securities – Singapore and Hong Kong SAR	**73,401**	68,814
Unquoted equity securities	**69,564**	69,564
	142,965	138,378

13. Investments in associated companies

	Group	
	2017 **$'000**	2016 $'000
Unquoted equity and preference shares, at cost	**1,030,130**	793,454
Loans to associated companies	**91,710**	79,007
Share of post-acquisition reserves	**2,483**	(75,393)
	1,124,323	797,068

On 21 March 2017, the Group launched the Mapletree Global Student Accommodation Trust ("MGSA P-Trust"), a trust in Singapore that holds student accommodation assets located in the UK and USA, and retained a 32.6% interest. Accordingly, the Group equity accounted its interest in MGSA P-Trust, carried at approximately $245.8 million (2016: Nil) at the reporting date.

The loans to associated companies are considered as part of the Group's investment in associated companies, are unsecured, interest-free and have no fixed terms of repayment, although repayment is not expected within the next 12 months.

Details of associated companies' information are provided in Note 35. The Group's investments in associated companies and share of results represent approximately 5% of the Group's consolidated net assets and net profit.

The following amount represents the aggregate amount of the Group's share in the net profit and total comprehensive income of associated companies and their carrying amount:

	Group	
	2017 **$'000**	2016 $'000
Net profit	**103,034**	60,387
Other comprehensive loss, net of tax	**(22,623)**	(47,564)
Total comprehensive income	**80,411**	12,823
Carrying value	**1,124,323**	797,068

14. Investments in joint ventures

	Group	
	2017 **$'000**	2016 $'000
Unquoted equity shares, at cost	**151,642**	82,642
Loan to a joint venture	**24,835**	24,132
Share of post-acquisition reserves	**(21,837)**	(32,883)
	154,640	73,891

Based on management's assessment of the facts and circumstances in the current financial year, the Group has joint control over Vietsin Commercial Complex Development Joint Stock Company ("VCCD"). Accordingly, the Group reclassified its interest in VCCD from investment in subsidiary to investment in joint venture effective from 1 April 2016.

On 17 February 2017, as part of the Group's acquisition of Oakwood Worldwide ("Oakwood") as disclosed in Note 37(a), the Group completed the acquisition of the remaining 51% interest in Oakwood/R&B Holdings Pte Ltd and its wholly-owned subsidiaries, Oakwood Asia Pacific Pte Ltd and Oakwood Trademarks Pte Ltd ("OAP"). Accordingly, the 49% interest in OAP has been consolidated with effect from 17 February 2017.

The loan to a joint venture is considered as part of the Group's investment in the joint venture, is unsecured, bears interest ranging from 2.27% to 2.84% (2016: 2.03% to 2.24%) per annum and is repayable in full in April 2019.

The Group's investments in joint ventures and share of results represent less than 1% of the Group's consolidated net assets and net profit.

The following amount represents the aggregate amount of the Group's share in the net loss and total comprehensive income/(loss) of joint ventures and their carrying amount:

	Group	
	2017 **$'000**	2016 $'000
Net loss	**(663)**	(2,035)
Other comprehensive income/(loss), net of tax	**931**	(1,800)
Total comprehensive income/(loss)	**268**	(3,835)
Carrying value	**154,640**	73,891

15. Investments in subsidiaries

	Company	
	2017 **$'000**	2016 $'000
Unquoted equity shares, at cost	**1,297,145**	1,288,262
Unquoted redeemable convertible preference shares, at cost	**894,200**	1,094,200
	2,191,345	2,382,462
Financial guarantees	**115,946**	115,941
Less: Accumulated impairment losses	**(162,820)**	(162,820)
	2,144,471	2,335,583

15. Investments in subsidiaries (continued)

Details of significant subsidiaries and summarised financial information of subsidiaries with material non-controlling interests are provided in Note 35 and Note 36 respectively.

Control without majority equity interest and voting power

Under FRS 110 Consolidated Financial Statements, control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group assessed that it controls Mapletree Commercial Trust ("MCT"), Mapletree Greater China Commercial Trust ("MGCCT"), Mapletree Industrial Trust ("MIT") and Mapletree Logistics Trust ("MLT") (collectively the "REITs") although the Group owns less than half of the equity interest and voting power of the REITs as disclosed in Note 35. The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely, Mapletree Commercial Trust Management Ltd, Mapletree Greater China Commercial Trust Management Ltd, Mapletree Industrial Trust Management Ltd and Mapletree Logistics Trust Management Ltd respectively (collectively the "REIT Managers"). The REIT Managers have decision-making authority over the REITs subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure. Accordingly, the Group concluded that it has control over the REITs and consolidated these investees. Summarised financial information of the REITs are disclosed in Note 36.

16. Investment properties

	Group	
	2017 **$'000**	2016 $'000
Completed investment properties		
At 1 April	**27,567,136**	22,453,924
Additions	**1,260,848**	2,011,729
Acquisition of subsidiaries with properties (Note 37)	**1,332,137**	1,754,124
Disposals	**(38,851)**	(22,358)
Disposal of subsidiaries with properties (Note 37(d))	**(2,052,667)**	–
De-consolidation of a subsidiary	**(134,818)**	–
Transfer from properties under development (Note 17)	**716,869**	789,680
Transfer from investment properties under redevelopment	**908,861**	67,344
Revaluation gain recognised in profit or loss – net	**907,872**	676,041
Currency translation differences	**(80,588)**	(163,348)
At 31 March	**30,386,799**	27,567,136
Investment properties under redevelopment		
At 1 April	**996,477**	704,278
Additions	**175,982**	347,391
Transfer to completed investment properties	**(908,861)**	(67,344)
Revaluation gain recognised in profit or loss – net	**36,037**	12,152
At 31 March	**299,635**	996,477
Total investment properties	**30,686,434**	28,563,613

16. Investment properties (continued)

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

	Group	
	2017 **$'000**	2016 $'000
Leasing income	**1,785,117**	1,464,500
Direct operating expenses arising from investment properties that generated leasing income	**(449,960)**	(368,232)

(b) Certain investment properties of the Group, amounting to $679.0 million (2016: $1.4 billion) are mortgaged to secure bank loans (Note 22).

(c) The fair value hierarchy, valuation process, techniques and inputs used to determine the fair values of investment properties and properties under development (Note 17) are disclosed in Note 29.

(d) As at 31 March 2017, the fair values of the investment properties and properties under development (Note 17) have been determined primarily by independent professional valuers. These valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. It is the intention of the Group to hold the investment properties and properties under development (Note 17) on a long term basis.

17. Properties under development

	Group	
	2017 **$'000**	2016 $'000
At 1 April	**1,647,231**	1,790,417
Additions	**737,647**	640,305
Transfer to investment properties (Note 16)	**(716,869)**	(789,680)
Transfer to property held for sale	**(24,293)**	–
De-consolidation of a subsidiary	**(41,968)**	–
Revaluation gain recognised in profit or loss – net	**52,909**	47,535
Currency translation differences	**7,893**	(41,346)
At 31 March	**1,662,550**	1,647,231

During the financial year, finance costs capitalised as part of cost of properties under development amounted to $20.8 million (2016: $16.5 million).

18. Property, plant and equipment

	Leasehold land and building $'000	Other assets $'000	Total $'000
Group			
Cost or valuation			
At 1 April 2015	–	31,209	31,209
Addition	–	6,757	6,757
Acquisition of subsidiaries (Note 37)	–	222	222
Write-offs/Disposals	–	(582)	(582)
Currency translation differences	–	(107)	(107)
At 31 March 2016	–	37,499	37,499
Addition	–	6,761	6,761
Acquisition of subsidiaries (Note 37)	130,179	22,110	152,289
Write-offs/Disposals	–	(708)	(708)
De-consolidation of a subsidiary	–	(604)	(604)
Disposal of subsidiaries (Note 37(d))	–	(350)	(350)
Currency translation differences	1,404	434	1,838
Revaluation gain	14,439	–	14,439
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**142,321**	**65,142**	**207,463**
Comprising:			
31 March 2016			
At cost	–	37,499	37,499
At valuation	–	–	–
	–	37,499	37,499
31 March 2017			
At cost	**–**	**65,142**	**65,142**
At valuation	**142,321**	**–**	**142,321**
	142,321	**65,142**	**207,463**
Accumulated depreciation			
At 1 April 2015	–	22,063	22,063
Depreciation	–	4,766	4,766
Write-offs/Disposals	–	(538)	(538)
Currency translation differences	–	(44)	(44)
At 31 March 2016	–	26,247	26,247
Depreciation	3,666	6,450	10,116
Write-offs/Disposals	–	(297)	(297)
De–consolidation of a subsidiary	–	(231)	(231)
Disposal of subsidiaries (Note 37(d))	–	(284)	(284)
Currency translation differences	35	10	45
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**–**	**31,895**	**31,895**
Net book value			
At 31 March 2017	**142,321**	**33,247**	**175,568**
At 31 March 2016	–	11,252	11,252

18. Property, plant and equipment (continued)

	Other assets $'000	Total $'000
Company		
Cost		
At 1 April 2015	17,195	17,195
Addition	4,393	4,393
Write-offs/Disposals	(20)	(20)
At 31 March 2016	21,568	21,568
Addition	3,000	3,000
Write-offs/Disposals	(223)	(223)
At 31 March 2017	**24,345**	**24,345**
Accumulated depreciation		
At 1 April 2015	10,994	10,994
Depreciation	2,876	2,876
Write-offs/Disposals	(19)	(19)
At 31 March 2016	13,851	13,851
Depreciation	3,148	3,148
Write-offs/Disposals	(110)	(110)
At 31 March 2017	**16,889**	**16,889**
Net book value		
At 31 March 2017	**7,456**	**7,456**
At 31 March 2016	7,717	7,717

The leasehold land and building of the Group with a carrying value of $142.3 million (2016: Nil) is carried at the revalued amount in accordance with the Group's accounting policy as described in Note 2.4. If the leasehold land and building was included in the financial statements at cost less accumulated depreciation and impairment losses, the net book value would have been $127.9 million (2016: Nil).

19. Intangible assets

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
(a) Software licenses				
At 1 April	**8,189**	9,066	**7,199**	7,907
Additions	**317**	643	**233**	643
Write-offs/Disposals	**–**	(3)	**–**	–
Amortisation	**(1,591)**	(1,517)	**(1,391)**	(1,351)
At 31 March	**6,915**	8,189	**6,041**	7,199
(b) Trade names with indefinite life				
At 1 April	**–**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**73,753**	–	**–**	–
Currency translation differences	**1,438**	–	**–**	–
At 31 March	**75,191**	–	**–**	–

19. Intangible assets (continued)

	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
(c) Customer-related intangibles				
At 1 April	**–**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**18,715**	–	**–**	–
Currency translation differences	**556**	–	**–**	–
At 31 March	**19,271**	–	**–**	–
(d) Goodwill arising on consolidation				
At 1 April	**8,327**	8,327	**–**	–
Acquisition of subsidiaries (Note 37(a))	**34,341**	–	**–**	–
At 31 March	**42,668**	8,327	**–**	–
Total intangible assets	**144,045**	16,516	**6,041**	7,199

20. Trade and other payables

	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Trade payables:				
– Related parties	**1,824**	467	**–**	–
– Non-related parties	**32,238**	28,641	**63**	24
	34,062	29,108	**63**	24
Non-trade payables:				
– Subsidiaries	**–**	–	**109,924**	4,676
– Associated company	**54,437**	45,205	**–**	–
– Non-related parties	**98,294**	80,780	**–**	–
	152,731	125,985	**109,924**	4,676
Provision for Corporate and Staff Social Responsibilities ("CSSR")	**7,413**	6,833	**7,413**	6,833
Financial guarantees	**–**	–	**4,330**	7,410
Accrued capital expenditure	**155,396**	89,868	**–**	–
Accrued operating expenses	**385,916**	333,492	**136,514**	92,068
Accrued share-based compensation expenses	**26,835**	18,480	**27,025**	18,480
Accrued retention sum	**61,196**	40,312	**–**	–
Interest payable	**49,619**	46,046	**–**	–
Goods and Services Tax ("GST") payable – net	**1,586**	6,739	**–**	–
Leasing received in advance	**77,073**	71,478	**–**	–
Tenancy deposits	**378,553**	370,817	**–**	–
Property tax payable	**10,379**	6,103	**–**	–
Other deposits	**12,572**	9,414	**24**	24
Other payables	**8,918**	6,622	**–**	–
Deferred revenue	**2,500**	2,500	**–**	–
	1,177,956	1,008,704	**175,306**	124,815
Total	**1,364,749**	1,163,797	**285,293**	129,515
Less: Non-current portion	**(320,254)**	(287,522)	**(89,585)**	(59,352)
Current portion	**1,044,495**	876,275	**195,708**	70,163

20. Trade and other payables (continued)

(a) The non-trade payables due to subsidiaries, associated company and non-related parties are unsecured, interest-free and repayable on demand.

(b) Provision for CSSR relates to the Group's CSSR commitments under its published Mapletree Shaping & Sharing Programme that strives to make social impact by empowering individuals and enriching communities through education, health, environmental and arts related causes. During the financial year, the Group committed $2.0 million (2016: $2.0 million) as a provision for the Group's CSSR programme.

(c) Included in trade and other payables are accruals relating to three employee compensation schemes, one scheme being compensation that is deferred and payable over a period of time, and the other two schemes being share-based compensation that will vest over certain qualifying periods based on duration of employees' services rendered after achieving certain performance targets. The accruals amounted to $190.0 million (2016: $122.5 million) as at 31 March 2017, out of which $122.0 million (2016: $78.3 million) is classified as non-current.

21. Derivative financial instruments

		Group		
	Maturity	Contract notional amount $'000	Fair value Assets $'000	Fair value Liabilities $'000
2017				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2017 to August 2022	5,300,765	12,044	(26,768)
– Cross currency interest rate swaps	January 2019 to March 2023	764,305	49,213	(13,248)
			61,257	(40,016)
Hedge accounting – Net investment hedges:				
– Currency forwards	April 2017 to October 2018	965,852	9,321	(12,341)
			9,321	(12,341)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	–	(64)
			–	(64)
Non-hedge accounting:				
– Interest rate swaps	April 2017 to April 2023	1,348,490	1,421	(7,883)
– Currency forwards	April 2017 to May 2023	3,489,669	24,936	(33,678)
– Cross currency interest rate swaps	November 2017 to March 2023	552,243	13,624	(52,996)
			39,981	(94,557)
Represented by:				
Current position			22,287	(41,111)
Non-current position			88,272	(105,867)
			110,559	**(146,978)**

21. Derivative financial instruments (continued)

	Maturity	Contract notional amount $'000	Group Fair value Assets $'000	Group Fair value Liabilities $'000
2016				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2016 to September 2021	4,755,374	1,867	(29,062)
– Currency forwards	April 2016 to January 2017	7,040	–	(468)
– Cross currency interest rate swaps	January 2019 to March 2023	760,090	25,195	(10,385)
			27,062	(39,915)
Hedge accounting – Net investment hedges:				
– Currency forwards	April 2016 to October 2016	505,170	4,362	(20,808)
			4,362	(20,808)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	340	–
			340	–
Non-hedge accounting:				
– Interest rate swaps	December 2016 to April 2023	1,290,590	1,109	(14,429)
– Currency forwards	April 2016 to May 2023	1,403,473	36,315	(6,046)
– Cross currency interest rate swaps	September 2016 to March 2023	565,768	7,439	(49,036)
			44,863	(69,511)
Represented by:				
Current position			27,318	(27,144)
Non-current position			49,309	(103,090)
			76,627	**(130,234)**

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

Interest rate swaps

Interest rate swaps are transacted to hedge floating monthly and quarterly interest payments on borrowings that will mature in April 2017 to August 2022 (2016: April 2016 to September 2021). Fair value gains and losses on the interest rate swaps recognised in the other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowings.

Currency forwards

As at 31 March 2016, currency forwards are transacted to hedge highly probable management services fee receipts denominated in foreign currency which are expected to occur quarterly from April 2016 to January 2017. Fair value gains and losses recognised in other comprehensive income prior to the occurrence of these receipts are reclassified to profit or loss in the period during which the management services fee receipts affects profit or loss.

Cross currency interest rate swaps

Cross currency interest rate swaps are transacted to hedge quarterly and semi-annual foreign currency interest payments on borrowings that will mature in January 2019 to March 2023 (2016: January 2019 to March 2023) and foreign currency principal payments at maturity of the borrowings. Fair value changes on the cross currency interest rate swaps recognised in the hedging reserve are reclassified to the profit or loss as part of interest expense and exchange differences over the period of the borrowings.

22. Borrowings

	Group	
	2017 $'000	2016 $'000
Current		
– Bank loan (secured)	**–**	12,628
– Bank loans (unsecured)	**1,035,407**	2,247,581
– Medium term notes (unsecured)	**89,967**	–
	1,125,374	2,260,209
Non-current		
– Bank loans (secured)	**154,000**	491,427
– Bank loans (unsecured)	**9,055,203**	8,330,804
– Medium term notes (unsecured)	**2,610,565**	2,091,583
– Loans from non-controlling interests of subsidiaries (unsecured)	**150,325**	45,309
	11,970,093	10,959,123
	13,095,467	13,219,332

(a) As at 31 March 2016, the current (secured) bank loan of $12.6 million was secured by mortgage over an investment property (Note 16) and was repaid in October 2016.

(b) The current (unsecured) bank loans of $1.0 billion (2016: $2.2 billion) are repayable between April 2017 and March 2018 (2016: April 2016 and March 2017). The effective interest rates at the reporting date ranged from 0.45% to 8.10% (2016: 0.35% to 11.04%) per annum and the interest rates are re-priced every one to six months (2016: one to 12 months).

(c) The current medium term notes issued by a subsidiary pursuant to its Medium Term Note Program are repayable in March 2018 (2016: Nil). The effective interest rates at the reporting date is 4.45% (2016: Nil) and not subject to interest-rate re-priced.

(d) The non-current (secured) bank loans of $154.0 million (2016: $491.4 million) are secured by mortgages over certain investment properties (Note 16) and are repayable in 2019 (2016: 2017 and 2024). The effective interest rates at the reporting date ranged from 1.47% to 2.90% (2016: 0.14% to 8.00%) per annum and the interest rates are re-priced every one to three months (2016: three months).

(e) The non-current (unsecured) bank loans of $9.1 billion (2016: $8.3 billion) are repayable between 2018 and 2024 (2016: 2017 and 2024). The effective interest rates at the reporting date ranged from 0.29% to 7.25% (2016: 0.69% to 4.96%) per annum and the interest rates are re-priced every one to six months (2016: one to six months).

(f) The non-current medium term notes issued by the respective subsidiaries pursuant to their Medium Term Note Programme are repayable between 2018 and 2026 (2016: 2018 and 2026). The effective interest rates at the reporting date ranged from 2.27% to 4.99% (2016: 0.29% to 4.45%) and the interest rates are re-priced every three to six months (2016: three to six months).

(g) A non-current loan from a non-controlling interest of a subsidiary amounting to $29.6 million (2016: $28.8 million) is unsecured, interest-free and has no fixed terms of repayment, although repayment is not expected within the next 12 months.

The remaining non-current loans from a non-controlling interest of certain subsidiaries are unsecured and repayable between 2018 and 2019 (2016: 2018). The effective interest rates at reporting date ranged from 5.55% to 8.96% (2016: 4.54% to 6.34%) and the interest rates are re-priced every six months (2016: every six months).

23. Deferred income taxes

Movement in the deferred income tax account is as follows:

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
At 1 April	**268,968**	241,448	**1,205**	1,081
Tax charged/(credited) to:				
– Profit or loss	**50,891**	25,161	**(23,380)**	124
– Other comprehensive income	**2,530**	1,159	**–**	–
– Equity	**(6,185)**	(5,228)	**–**	–
– Reclassification	**(20,831)**	–	**–**	–
Disposal of subsidiaries (Note 37(d))	**(16,979)**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**878**	–	**–**	–
De-consolidation of a subsidiary	**(6,599)**	–	**–**	–
Utilisation of tax benefits	**7,581**	10,046	**–**	–
Currency translation differences	**360**	(3,618)	**–**	–
At 31 March	**280,614**	268,968	**(22,175)**	1,205

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately $70.4 million (2016: $76.2 million) at reporting date which can be carried forward and used to offset against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date except for an amount of $65.4 million (2016: $75.9 million) which will expire between 2018 to 2037. There is no expiry date for capital allowances.

Deferred income tax liabilities have not been recognised for the withholding and other taxes that will be payable on the unremitted earnings of $27.7 million (2016: $19.8 million) of overseas subsidiaries as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

	Group				
	Accelerated tax depreciation $'000	**Revaluation gains $'000**	**Accrued revenue $'000**	**Others $'000**	**Total $'000**
Deferred income tax liabilities					
At 1 April 2016	129,516	148,928	443	–	278,887
Charged to:					
– Profit or loss	26,945	47,058	334	1,790	76,127
– Other comprehensive loss	–	1,573	–	–	1,573
Disposal of subsidiaries	–	(17,628)	–	–	(17,628)
Acquisition of subsidiaries	–	–	–	1,909	1,909
De-consolidation of a subsidiary	–	(6,599)	–	–	(6,599)
Currency translation differences	1,806	(1,169)	(13)	2	626
At 31 March 2017	**158,267**	**172,163**	**764**	**3,701**	**334,895**
At 1 April 2015	115,714	138,336	393	–	254,443
Charged to profit or loss	16,768	11,691	118	–	28,577
Currency translation differences	(2,966)	(1,099)	(68)	–	(4,133)
At 31 March 2016	129,516	148,928	443	–	278,887

23. Deferred income taxes (continued)

	Group				
	Fair value changes – net $'000	**Perpetual securities $'000**	**Provisions $'000**	**Tax losses $'000**	**Total $'000**
Deferred income tax assets					
At 1 April 2016	(2,057)	(1,230)	(4,182)	(2,450)	(9,919)
Charged/(Credited) to:					
– Profit or loss	–	–	(11,985)	(13,251)	(25,236)
– Other comprehensive loss	957	–	–	–	957
– Equity	–	(6,185)	–	–	(6,185)
Reclassification	–	–	(20,831)	–	(20,831)
Disposal of subsidiaries	–	–	649	–	649
Acquisition of a subsidiary	–	–	(1,031)	–	(1,031)
Utilisation of tax benefits	–	6,472	–	1,109	7,581
Currency translation differences	–	–	16	(282)	(266)
At 31 March 2017	**(1,100)**	**(943)**	**(37,364)**	**(14,874)**	**(54,281)**
At 1 April 2015	(3,216)	(4,521)	(5,258)	–	(12,995)
Charged/(Credited) to:					
– Profit or loss	–	–	591	(4,007)	(3,416)
– Other comprehensive loss	1,159	–	–	–	1,159
– Equity	–	(5,228)	–	–	(5,228)
Utilisation of tax benefits	–	8,519	–	1,527	10,046
Currency translation differences	–	–	485	30	515
At 31 March 2016	(2,057)	(1,230)	(4,182)	(2,450)	(9,919)

	Company
	Accelerated tax depreciation $'000
Deferred income tax liabilities	
At 1 April 2016	1,907
Credited to profit or loss	(333)
At 31 March 2017	**1,574**
At 1 April 2015	1,826
Charged to profit or loss	81
At 31 March 2016	1,907

23. Deferred income taxes (continued)

	Company
	Provisions $'000
Deferred income tax assets	
At 1 April 2016	(702)
Credited to profit or loss	(23,047)
At 31 March 2017	**(23,749)**
At 1 April 2015	(745)
Charged to profit or loss	43
At 31 March 2016	(702)

24. Share capital

Issued and fully paid Ordinary Shares and Series A redeemable preference shares ("RPS")

	Issued share capital	
	No. of shares '000	**Amount $'000**
Balance at 1 April 2016 and 31 March 2017		
– Ordinary share capital, with no par value	1,524,307	1,524,307
– Series A redeemable preference shares, with no par value	16	1,570,000
	1,524,323	**3,094,307**

Issued and fully paid Series A redeemable preference shares ("RPS")

The Series A redeemable preference shares ("RPS") confer upon the holders the following rights:

(a) Dividends

The right to receive out of the distributable profits of the Company a non-cumulative preferential dividend at a rate of 1% per annum on the redemption amount (being the value of the Series A RPS). The preferential dividend shall:

(i) Be declared by the Directors at any time and from time to time and payable at such time as the Directors shall determine; and

(ii) Be paid in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company.

(b) Voting

The right to attend and vote at general meetings of the Company only upon the happening of any of the following events:

(i) During such year as the preferential dividend or any part thereof remains in arrears and unpaid for more than 12 months;

(ii) Upon any resolution which varies or abrogates the rights attached to the preference shares; and

(iii) Upon any resolution for the winding up of the Company.

In addition, written approval of 75% of the RPS holders has to be obtained prior to:

(i) Variation or abrogation of rights to RPS holders;

(ii) Altering RPS through e.g. repurchase, cancellation, reduction, subdivision, reclassification or consolidation;

24. Share capital (continued)

Issued and fully paid Series A redeemable preference shares ("RPS") (continued)

(b) Voting (continued)

(iii) Issue of equity or debt convertible into equity ranking pari passu or in priority to RPS; or

(iv) Declaration or payment of dividends or other distribution of profits or by issuance of ordinary shares through capitalisation of profits or reserves.

(c) Redemption

The Company has the rights to redeem all or any part of the RPS issued and fully paid at any time. Each RPS will be redeemed for the amount paid up thereon plus any arrears and accrual of dividends payable on the RPS to the redemption date.

Share-Based Compensation Plans of the Company

The Company currently operates the following share-based compensation plans: Mapletree PSU Plan, Mapletree RSU Plan and Mapletree NED RSU Plan (collectively referred to as the "Share-based Compensation Plans"). The Executive Resource and Compensation Committee ("ERCC") of the Company has been designated as the Committee responsible for the administration of the Share-based Compensation Plans.

(a) Mapletree Performance Share Units Plan and Mapletree Restricted Share Units Plan

The Mapletree PSU Plan and the Mapletree RSU Plan (collectively referred to as the "Plans") for employees (including executive director) were approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009. The first grant of award under the Plans was made in January 2010. The duration of each share plan is 10 years commencing 4 November 2009.

Under the Plans, awards are granted to eligible participants. Eligible participants of the Plans include selected employees of the Company, its subsidiaries and its associated companies, including executive director.

A Performance Share Unit ("PSU") or Restricted Share Unit ("RSU") granted under the Plans represents a right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, as calculated in accordance with the Plans, provided certain performance conditions and service conditions are met.

Under the Mapletree PSU Plan, awards granted to eligible participants vest immediately upon completion of the performance achievement periods. Awards are released once the ERCC is satisfied that the performance conditions have been achieved.

Similarly under the Mapletree RSU Plan, a portion of the awards granted to eligible participants vest immediately upon completion of the performance achievement periods and the remaining awards will vest only after a further period of service beyond the performance target completion date. Awards are released once the ERCC is satisfied that the performance conditions have been achieved and extended period of service beyond the performance target completion date have been fulfilled.

The number of PSU outstanding under the Mapletree PSU Plan at the end of the financial year is summarised below:

	2017	2016
	'000	'000
At 1 April	**14,001**	12,858
Initial award granted	**4,174**	4,215
Adjustment for performance targets	**(841)**	(383)
Forfeited/Cancelled	**(866)**	(947)
Released	**(1,495)**	(1,742)
At 31 March	**14,973**	14,001

The final number of units to be released will depend on the achievement of pre-determined targets over a five-year performance period. No units will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the initial award could be released up to a maximum of 200% of the initial award.

The PSU released during the financial year of 1,494,771 (2016: 1,742,489) were cash-settled.

24. Share capital (continued)

Share-Based Compensation Plans of the Company (continued)

(a) Mapletree Performance Share Units Plan and Mapletree Restricted Share Units Plan (continued)

The number of PSU awarded and outstanding of 14,972,545 (2016: 14,001,010) are to be cash-settled. The final number of units to be released in respect of 14,972,545 (2016: 14,001,010) of outstanding PSU has not been determined.

The number of RSU outstanding under the Mapletree RSU Plan at the end of the financial year is summarised below:

	2017 '000	2016 '000
At 1 April	**5,555**	6,822
Initial award granted	**2,364**	2,646
Adjustment for performance targets	**470**	(89)
Forfeited/Cancelled	**(391)**	(373)
Released	**(2,927)**	(3,451)
At 31 March	**5,071**	5,555

The final number of units to be released will depend on the achievement of pre-determined targets over a one-year performance period and the release will be over a vesting period of three years. No units will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the initial award could be released up to a maximum of 150% of the initial award.

The RSU released during the financial year of 2,927,344 (2016: 3,451,327) were cash-settled.

The number of RSU awarded and outstanding of 5,070,959 (2016: 5,554,763) are to be cash-settled. The final number of units to be released in respect of 2,340,790 (2016: 2,612,721) of outstanding RSU has not been determined.

PSU and RSU units that are expected to be cash-settled are measured at their current fair values at year end. The fair value is measured based on share price $3.72 (2016: $2.91) at year end.

(b) Mapletree NED Restricted Share Units Plan

The Mapletree NED RSU Plan was approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009 and is restricted to non-executive directors ("NED") of the Company. The first grant of award was made in June 2010. The duration of the Mapletree NED RSU Plan is 10 years commencing 4 November 2009.

Under the Mapletree NED RSU Plan, awards are granted to eligible non-executive directors of the Company. A NED Restricted Share Unit ("NED RSU") granted under the Mapletree NED RSU Plan represents a right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, as calculated in accordance with the Mapletree NED RSU Plan. Grants of Mapletree NED RSU made to a non-executive director shall form part of the director's remuneration.

Under the Mapletree NED RSU Plan, awards granted to eligible non-executive directors shall vest at the date of grant. The right to receive cash or cash equivalents, fully-paid Company Shares, or combinations thereof, is exercisable at the discretion of the non-executive directors at the annual pre-determined exercise period, until the date falling on the fifth anniversary of date of grant of each award.

The number of NED RSU outstanding under the Mapletree NED RSU Plan at the end of the financial year is summarised below:

	2017 '000	2016 '000
At 1 April	**164**	163
Granted	**47**	54
Exercised	**(26)**	(53)
At 31 March	**185**	164

The NED RSU exercised during the year of 26,359 (2016: 53,167) were cash-settled.

24. Share capital (continued)

Share-Based Compensation Plans of the Company (continued)

(b) Mapletree NED Restricted Share Units Plan (continued)

The number of units awarded, vested and outstanding of 185,146 (2016: 163,723) are to be cash-settled. The fair value of the cash-settled award of NED RSU at the reporting date is determined based on the net asset value (excluding perpetual securities) per share of the Group at year end, up to a maximum of 200% of the initial net asset value per share of the Group at the respective grant dates.

(c) Share-Based Compensation Plans of subsidiaries

During the financial year ended 31 March 2017, the respective Nomination and Remuneration Committee ("NRC") of the Group's wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd (each the "REIT management company") approved and adopted separate Performance Share Units Plan ("REIT PSU Plan") and Restricted Share Units Plan ("REIT RSU Plan"). This is in compliance with the MAS guideline on REIT compensation governance where the plans are linked to performance of the respective REIT. The REIT PSU Plan and REIT RSU Plan are available to eligible employees of the subsidiaries, and the plans can only be cash-settled.

The total REIT PSU Plan and REIT RSU Plan expense recognised to the profit or loss amounted to $468,000 (2016: nil).

25. Perpetual securities

The Group has issued the following perpetual securities:

(a) Mapletree Treasury Services Limited

Mapletree Treasury Services Limited ("MTSL"), a wholly-owned subsidiary, issued perpetual securities with an aggregate principal amount of $600 million ("2012 Issuance") in July 2012 and $625 million ("2017 Issuance") in January 2017. Total incremental cost incurred amounting to $14.0 million (2016: $8.5 million) was recognised in equity as a deduction from proceeds.

Such perpetual securities are guaranteed by the Company and bear distributions at a rate of 5.125% per annum for the 2012 Issuance and 4.5% per annum for the 2017 Issuance, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, MTSL may elect to defer making distribution on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

(b) Mapletree Logistics Trust

Mapletree Logistics Trust ("MLT"), a non-wholly owned subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $350 million ("MLT 2012 Issuance") in March 2012 and $250 million ("MLT 2016 Issuance") in May 2016. Total incremental cost incurred amounting to $8.6 million (2016: $6.7 million) was recognised in equity as a deduction from proceeds. These perpetual securities have no fixed redemption date and redemption is at the discretion of MLT.

Such perpetual securities bear distributions at a rate of 5.375% per annum for the MLT 2012 Issuance and 4.18% per annum for the MLT 2016 Issuance, payable semi-annually and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of MLT, these perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the unitholders of MLT, but junior to the claims of all other present and future creditors of MLT. MLT shall not declare distribution or pay any distributions to the unitholders, or make redemption, unless MLT declare or pay any distributions to the holders of the perpetual securities.

As the Group has no contractual obligations to repay the principal or to pay any distributions relating to the above perpetual securities under MTSL and MLT, the amounts have been presented within equity, and distributions are treated as dividends.

26. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Unsecured bankers' guarantees given in respect of operations	**10,642**	6,354	**6,543**	4,840

27. Commitments

(a) Capital commitments

	Group	
	2017 **$'000**	2016 $'000
Development expenditure contracted for	**677,715**	948,221
Commitment in respect of equity participation in associated companies	**689,801**	790,472
Commitment in respect of equity participation in available-for-sale financial assets	**85**	83

(b) Operating lease commitments – where the Group is a lessor

The Group leases out property spaces under non-cancellable operating lease agreements. The leases have escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2017 **$'000**	2016 $'000
Not later than one year	**1,925,307**	1,595,646
Between one and five years	**3,617,211**	3,179,607
Later than five years	**1,690,742**	1,932,305
	7,233,260	6,707,558

Some of the operating leases are subject to revision based on market rates at periodic intervals. For the purposes of the above disclosure, the prevailing leases are used.

(c) Operating lease commitments – where the Group is a lessee

The Group leases land and office space under non-cancellable operating lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2017 **$'000**	2016 $'000
Not later than one year	**111,521**	9,974
Between one and five years	**70,894**	27,765
Later than five years	**49,599**	16,199
	232,014	53,938

Not included above are certain operating leases in Singapore, PRC and Malaysia with annual land rent that the Group is committed to pay to the respective country's land authorities. The operating leases are non-cancellable with remaining lease term of up to 89 years as at 31 March 2017 and are subjected to revision of land rent at periodic intervals. Based on the prevailing land rent rates, these operating leases paid/payable for the financial year approximates $15.1 million (2016: $13.3 million).

28. Financial risk management

The Group's activities expose it to a variety of financial risks. The Group uses different methods to measure and manage various types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange, price, interest rate, credit and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides general principles for overall risk management, covering areas such as foreign exchange risk, price, interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Audit and Risk Committee, assisted by the risk management department and/or internal auditors, also evaluates the effectiveness of the system associated with the financial risk management programmes.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to exchange rate risk on its foreign currency denominated assets and liabilities. This currency exposure is, where practicable and appropriate, managed through borrowing in the same currencies in which the assets and/or investments are denominated as well as currency forwards, currency call/put options, and cross currency swap contracts.

In relation to its investments in foreign subsidiaries, associated companies and joint ventures, whose net assets are exposed to currency translation risks and which are held for long term investment purpose, the differences arising from such translation are recognised in other comprehensive income as foreign currency translation reserves. These translation differences are reviewed and monitored on a regular basis and managed primarily through currency forwards, cross currency interest rate swaps or borrowings denominated in the relevant currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group's currency exposure based on information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
2017										
Financial assets										
Cash and cash equivalents	280,346	209,183	318,037	43,249	55,875	21,571	15,468	132,227	15,705	69,388
Trade and other receivables (including intercompany balances)	9,657,272	4,615,182	2,560,471	697,839	651,648	280,970	256,858	2,075,214	620,020	33,309
Deposits	1,997	107,095	8,661	924	25,303	831	105	154	–	3,543
	9,939,615	4,931,460	2,887,169	742,012	732,826	303,372	272,431	2,207,595	635,725	106,240
Financial liabilities										
Borrowings	(4,840,999)	(699,081)	(700,053)	(3,037,369)	(1,113,782)	(183,436)	(743,823)	(1,537,043)	(239,880)	–
Trade and other payables (including intercompany balances)	(10,110,939)	(4,577,388)	(2,781,830)	(853,873)	(534,606)	(257,192)	(256,266)	(2,088,476)	(620,375)	(70,562)
	(14,951,938)	(5,276,469)	(3,481,883)	(3,891,242)	(1,648,388)	(440,628)	(1,000,089)	(3,625,519)	(860,255)	(70,562)
Net financial (liabilities)/ assets	**(5,012,323)**	**(345,009)**	**(594,714)**	**(3,149,230)**	**(915,562)**	**(137,256)**	**(727,658)**	**(1,417,924)**	**(224,530)**	**35,678**

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	3,780,650	1,623,335	1,066,304	3,184,159	1,031,565	319,368	696,201	1,781,271	232,525	(35,460)
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	880,329	(1,917,141)	(485,847)	(18,978)	(123,943)	(166,998)	–	(344,171)	–	–
Loans designated for net investment hedge	292,158	179,262	28,070	–	–	–	–	–	–	–
Currency exposures on financial (liabilities)/ assets	**(59,186)**	**(459,553)**	**13,813**	**15,951**	**(7,940)**	**15,114**	**(31,457)**	**19,176**	**7,995**	**218**

Notes to the Financial Statements

For the financial year ended 31 March 2017

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000
2016									
Financial assets									
Cash and cash equivalents	314,009	69,802	395,982	36,146	57,960	17,668	14,788	57,715	12,797
Trade and other receivables (including intercompany balances)	7,868,718	2,559,127	2,119,236	669,305	855,604	212,246	238,394	2,923,496	558,682
Deposits	767	55	13,053	434	612	279	31	109,820	–
	8,183,494	2,628,984	2,528,271	705,885	914,176	230,193	253,213	3,091,031	571,479
Financial liabilities									
Borrowings	(3,978,867)	(1,244,585)	(735,899)	(2,779,312)	(1,508,228)	(185,233)	(855,337)	(1,638,682)	(242,629)
Trade and other payables (including intercompany balances)	(8,403,208)	(2,517,148)	(2,305,900)	(840,431)	(595,970)	(179,918)	(244,517)	(2,949,773)	(568,537)
	(12,382,075)	(3,761,733)	(3,041,799)	(3,619,743)	(2,104,198)	(365,151)	(1,099,854)	(4,588,455)	(811,166)
Net financial liabilities	**(4,198,581)**	**(1,132,749)**	**(513,528)**	**(2,913,858)**	**(1,190,022)**	**(134,958)**	**(846,641)**	**(1,497,424)**	**(239,687)**
Net financial liabilities denominated in the respective entities' functional currencies	3,073,253	1,162,400	646,698	2,913,061	1,223,252	251,459	519,043	1,684,281	239,339
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	845,829	(345,148)	(172,476)	(14,144)	(113,345)	(107,513)	–	(187,943)	–
Loans designated for net investment hedge	138,132	51,637	27,268	–	67,755	–	225,755	–	–
Currency exposures on financial (liabilities)/assets	(141,367)	(263,860)	(12,038)	(14,941)	(12,360)	8,988	(101,843)	(1,086)	(348)

As at 31 March 2017 and 2016, the Group's USD exposure arises mainly from group entities with VND functional currency.

The Company's financial assets and liabilities are mainly denominated in SGD.

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

If the Group’s USD exposure change against VND by 5.0% (2016: 4.5%) with all other variables including tax rate being held constant, the effects arising from the Group's net currency exposure will be as follows:

	Increase/(decrease)	
	2017 Profit after tax $’000	**2016 Profit after tax $’000**
Group		
USD against VND		
– strengthened	**(15,204)**	(4,983)
– weakened	**15,204**	4,983

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held which are classified as available-for-sale financial assets. These securities are listed in Singapore and Hong Kong SAR. The Group has policies in place to ensure that the performance of investments held are monitored with respect to the risk relevant to the market in which the investments operate in.

No sensitivity analysis was disclosed as the Group had assessed that a reasonable change in the market value of these investments would not result in any significant impact on the Group’s results.

(iii) Cash flow and fair value 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. As the Group has no significant interest-bearing assets, the Group’s income and operating cash flows are substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk on its borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved either through fixed rate borrowings or through the use of floating-to-fixed interest rate swaps and/or interest rate caps.

The Group’s borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in JPY, USD, RMB, GBP, SGD, MYR and HKD (2016: JPY, USD and RMB and GBP). If the interest rates increase or decrease by 0.50% (2016: 0.50%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by $14 million (2016: $21 million) and higher by $14 million (2016: $21 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by $48 million (2016: $32 million) and lower by $49 million (2016: $33 million) mainly as a result of higher fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party. 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 financial assets, the Group adopts the policy of dealing only with acceptable credit quality counterparties.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are made to customers with an appropriate credit history. Security in the form of bankers guarantees, insurance bonds (issued by bankers or insurers of acceptable credit quality) or cash security deposits are obtained prior to the commencement of the lease.

28. Financial risk management (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2017 **$'000**	2016 $'000
Corporate guarantees provided to banks on subsidiaries' loans	**4,628,000**	5,632,276

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit-ratings assigned by international credit-rating agencies. Trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party that are neither past due nor impaired are substantially counterparties with a good collection track record with the Group.

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

There are no other classes of financial assets that are past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2017 **$'000**	2016 $'000
Past due less than 3 months	**44,358**	27,646
Past due over 3 months	**51,982**	31,100
	96,340	58,746

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2017 **$'000**	2016 $'000
Gross amount	**1,780**	294
Less: Allowance for impairment	**(1,060)**	(264)
	720	30
At 1 April	**264**	149
Acquisition	**710**	47
Allowance made	**369**	222
Allowance utilised	**(17)**	(141)
Allowance reversed	**(250)**	(9)
Translation	**(16)**	(4)
At 31 March	**1,060**	264

The Group and the Company believes that no additional allowance is necessary in respect of the remaining trade and other receivables as these receivables arise mainly from tenants with good collection records as well as sufficient security in the form of bankers guarantees, insurance bonds, or cash security deposits as collaterals.

28. Financial risk management (continued)

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and committed bank financing to fund its working capital, its financial obligations and expected committed capital expenditure requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting 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 amounts as the impact of discounting is insignificant.

	Less than 1 year $'000	**Between 1 and 5 years $'000**	**Over 5 years $'000**
Group			
2017			
Trade and other payables	967,422	286,473	31,281
Borrowings	1,430,464	10,208,864	2,346,340
	2,397,886	**10,495,337**	**2,377,621**
2016			
Trade and other payables	804,797	246,633	38,389
Borrowings	2,773,789	9,473,718	1,952,488
	3,578,586	9,720,351	1,990,877
Company			
2017			
Trade and other payables	**195,708**	**75,340**	**14,245**
2016			
Trade and other payables	70,163	50,850	8,502

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	**Between 1 and 5 years $'000**	**Over 5 years $'000**
Group			
2017			
Net-settled interest rate swaps and cross currency swaps			
– Net cash outflows	**11,032**	**4,069**	**(3,715)**
Gross-settled currency forwards and cross currency swaps			
– Receipts	**(4,104,483)**	**(887,583)**	**(120,188)**
– Payments	**4,133,750**	**916,592**	**112,872**
2016			
Net-settled interest rate cap, swaps and cross currency swaps			
– Net cash outflows	4,893	(4,065)	(6,947)
Gross-settled currency forwards and cross currency swaps			
– Receipts	(1,522,430)	(625,097)	(381,584)
– Payments	1,528,741	638,855	415,723

28. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is required by the banks to maintain a consolidated tangible net worth of not less than $1.0 billion (2016: $1.0 billion) and Group equity of not less than $3.0 billion (2016: $3.0 billion).

There were no changes in the Group's approach to capital management during the financial year.

(e) Categories of financial assets and financial liabilities

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Financial assets				
At fair value through profit or loss	**110,559**	76,627	**–**	–
Available-for-sale	**142,965**	138,378	**–**	–
Loans and receivables (including cash and cash equivalents)	**1,873,470**	1,522,761	**5,594,162**	3,809,350
Financial liabilities				
At fair value through profit or loss	**146,978**	130,234	**–**	–
At amortised cost	**14,380,643**	14,309,151	**285,293**	129,515

29. Fair value measurements

(a) Fair value hierarchy

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2017				
Financial assets				
Derivative financial instruments	–	110,559	–	110,559
Available-for-sale financial assets				
– Quoted	73,401	–	–	73,401
– Unquoted	–	–	69,564	69,564
	73,401	**110,559**	**69,564**	**253,524**
Financial liabilities				
Derivative financial instruments	**–**	**(146,978)**	**–**	**(146,978)**
Non-financial assets				
Completed investment properties	–	–	30,386,799	30,386,799
Investment properties under redevelopment	–	–	299,635	299,635
Properties under development	–	–	1,662,550	1,662,550
Property, plant and equipment	–	–	142,321	142,321
	–	**–**	**32,491,305**	**32,491,305**
2016				
Financial assets				
Derivative financial instruments	–	76,627	–	76,627
Available-for-sale financial assets				
– Quoted	68,814	–	–	68,814
– Unquoted	–	–	69,564	69,564
	68,814	76,627	69,564	215,005
Financial liabilities				
Derivative financial instruments	–	(130,234)	–	(130,234)
Non-financial assets				
Completed investment properties	–	–	27,567,136	27,567,136
Investment properties under redevelopment	–	–	996,477	996,477
Properties under development	–	–	1,647,231	1,647,231
	–	–	30,210,844	30,210,844

29. Fair value measurements (continued)

(b) Valuation techniques

(i) Financial assets and liabilities at fair value

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

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of interest rate swaps and interest rate caps are calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the reporting date. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair value of unquoted available-for-sale financial assets are classified as Level 3 and are determined using the net asset values of the investee companies.

(ii) Non-financial assets at fair value

Level 3 fair values of the Group's investment properties and leasehold land and building classified under property, plant and equipment have been generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising net leasing income after property tax at a rate which reflects the present and potential income growth and over the unexpired lease term.

- Discounted cash flow – Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct comparison – Properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with adjustments made for differences in location, tenure, size, shape, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions.

- Residual value – Investment properties under redevelopment or development are valued, as a starting point using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed at reporting date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under redevelopment and development.

  Fair values of investment properties are determined by external independent valuers. The valuation of significant properties are presented to and discussed with the Audit and Risk Committee as well as the Board of Directors.

(iii) Financial assets and liabilities not carried at fair values

The carrying value of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes of $2.5 billion (2016: $1.9 billion) whose fair value amounted to $2.5 billion (2016: $1.9 billion), determined using indicative interest rate of the notes quoted by the Group's bankers.

29. Fair value measurements (continued)

(c) Level 3 assets measured at fair value

The movements of non-financial assets classified under Level 3, for completed investment properties and investment properties under redevelopment are presented in Note 16, for properties under development in Note 17 and for leasehold land and building under property, plant and equipment in Note 18.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the non-financial assets classified under Level 3 of the fair value hierarchy:

	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties			
	Income capitalisation	Capitalisation rate • Singapore: 3.9% to 9.5% (2016: 3.9% to 9.5%) • Others: 3.9% to 12.5% (2016: 4.0% to 13.0%)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Singapore: 7.0% to 12.0% (2016: 7.0% to 12.0%) • Others: 4.5% to 14.0% (2016: 4.6% to 15.0%)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Singapore: 4.6% to 6.5% (2016: 4.6% to 6.3%) • Others: 4.4% to 17.0% (2016: 2.4% to 17.5%)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Singapore: $590 to $1,725 psm (2016: Nil) • Others: $347 to $11,893 psm (2016: $273 to $4,560 psm)	The higher the adjusted price rate, the higher the fair value.
Investment properties under redevelopment or development			
	Residual value	Gross development valuation • Singapore: $2,003 to $15,647 psm (2016: $2,255 to $15,743 psm)	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: $1,304 to $6,081 psm (2016: $1,601 to $6,081 psm)	The higher the development cost, the lower the fair value.

Notes to the Financial Statements

For the financial year ended 31 March 2017

29. Fair value measurements (continued)

(c) Level 3 assets measured at fair value (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the non-financial assets classified under Level 3 of the fair value hierarchy:

	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Properties under development			
	Income capitalisation	Capitalisation rate • Singapore: 6.5% (2016: Nil)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Singapore: 8.0% (2016: 8.0%)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Singapore: 6.8% (2016: 6.5%)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Others: $49 to 643 psm (2016: $48 to $493 psm)	The higher the adjusted price rate, the higher the fair value.
	Residual value	Gross development valuation • Singapore: Nil (2016: $7,111 psm) • Others: $549 to $22,776 psm (2016: $1,125 to $21,888 psm)	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: Nil (2016: $2,037 psm) • Others: $331 to $5,907 psm (2016: $597 to $5,309 psm)	The higher the development cost, the lower the fair value.
Leasehold land and building classified under property, plant and equipment			
	Income capitalisation	Capitalisation rate • Others: 10.0% (2016: Nil)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Others: 13.0% (2016: Nil)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Others: 10.5% (2016: Nil)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Others: $436,800 per room (2016: Nil)	The higher the adjusted price rate, the higher the fair value.

30. Immediate and ultimate holding companies

The Company's immediate holding company is Fullerton Management Pte Ltd, incorporated in Singapore. The ultimate holding company is Temasek Holdings (Private) Limited, incorporated in Singapore.

31. 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 during the financial year:

(a) Sales and purchases of goods and services

	Group		Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Leasing and other services to related corporations	**39,587**	38,520	**–**	–
Fees from provision of management services to subsidiaries	**–**	–	**119,035**	123,316
Purchase of goods/services from related corporations	**25,780**	20,184	**–**	–
Fees from provision of fund management services to associated companies	**40,536**	53,254	**–**	–
Dividend income from an associated company	**15,308**	3,944		
Acquisition of properties from associated company	**–**	113,321	**–**	–
Dividend income received from subsidiaries	**–**	–	**1,659,190**	480,299
Interest income received from subsidiaries	**–**	–	**16,243**	5,621
Interest expense paid to related corporations	**55,499**	46,666	**–**	–
Trustee's fees paid/payable to the Trustee	**1,918**	1,753	**–**	–

(b) Key management personnel compensation

	Group	
	2017 **$'000**	2016 $'000
Salaries and other short-term employee benefits	**22,093**	15,231
Post-employment benefits – contribution to CPF	**228**	176
Share-based compensation expenses (Note 24)	**11,513**	7,114
	33,834	22,521

(c) PSU and RSU granted to key management

During the financial year, the Group granted 4,324,704 PSU and 1,860,174 RSU (2016: 3,418,633 PSU and 1,254,737 RSU) to the key management of the Group under the share-based plans as set out in Note 24. The PSU and RSU were given on the same terms and conditions as those offered to other employees of the Group. The outstanding number of PSU and RSU as at 31 March 2017 granted by the Group to the key management of the Group was 13,180,790 and 3,209,305 (2016: 10,925,174 and 2,447,758) respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2017

32. Dividends

	Group and Company	
	2017 $'000	2016 $'000
Final exempt (one-tier) redeemable preference share dividends paid in respect of the previous financial year of $1,000 (2016: $1,000) per redeemable preference share	**15,700**	15,700
Final exempt (one-tier) ordinary share dividend of paid in respect of the previous financial year of 9.7684 cents (2016: 7.5509 cents) per ordinary share	**148,900**	115,100
	164,600	130,800

At the Annual General Meeting to be held, the following dividends will be proposed:

- Final exempt (one-tier) redeemable preference share dividend of $1,000 (2016: $1,000) per redeemable preference share amounting to $15.7 million (2016: $15.7 million); and
- Final exempt (one-tier) ordinary share dividend of 12.7993 cents (2016: 9.7684 cents) per ordinary share amounting to $195.1 million (2016: $148.9 million).

These financial statements do not reflect the above dividends, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 March 2018.

33. Operational profit after tax and minority interests

Operational Profit After Tax and Minority Interests (Operational PATMI) denotes net income derived from the underlying operating activities of the Group including, inter-alia, real estate leasing and sales activities, capital management fee income businesses, investments in real estate related assets and/or securities and corporate restructuring surplus or deficit. Any gains or losses on disposal and corporate restructuring surplus or deficit are measured based on the relevant original invested costs ("OIC"). Gains or losses on foreign exchange, fair value adjustments for financial derivatives and available-for-sale financial assets (per FRS 39 Financial Instruments: Recognition and Measurement), unrealised gains or losses, inter-alia, revaluations gains or losses (except for those arising from corporate restructuring), negative goodwill and dilution gain or loss are not included.

	Group	
	2017 $'000	2016 $'000
Profit Attributable to Equity Holder of the Company	**1,349,590**	915,656
Profit Attributable to Perpetual Securities Holders		
– Mapletree Treasury Services Pte. Ltd.	**36,382**	30,750
– Mapletree Logistics Trust	**27,717**	18,813
	1,413,689	965,219
After adjusting for:		
Revaluation gain on investment properties and properties under development (net of deferred tax)#	**(667,559)**	(404,483)
Share of associated companies and joint ventures:		
Net gain on revaluation of investment properties and properties under development	**(34,419)**	(48,015)
Net foreign exchange and financial derivatives loss	**3,050**	3,133
	(31,369)	(44,882)
Net foreign exchange and financial derivatives loss/(gain)#	**19,342**	(4,754)
Adjustments on:		
Share of associated company disposal gain/(loss) at OIC*	**5,425**	(18,775)
Corporate restructuring surplus at OIC*	**628,892**	1,028
Divestment gain at OIC*	**8,095**	90,531
Operational PATMI	**1,376,515**	583,884

Net of non-controlling interests.
* Represents cumulative revaluation gains realised.

34. Segment reporting

The operating segments are determined based on the segment reports reviewed by the Executive Management Committee ("EMC") for strategic and operational decisions making purposes. The EMC comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Chief Financial Officer, Head, Group Corporate Services and Group General Counsel, Head, Group Development Management and the Heads of each business unit.

The EMC considers the business from both a geographic and business segment perspective.

The following summary describes the operations from business segment perspective:

- **Singapore Commercial:**

  Developer/Owner/Manager of properties located in Singapore, which comprise mainly offices, retail properties, residential properties and certain industrial and business park properties which are not under Logistics and Singapore Industrial business units.

- **Logistics:**

  Developer/Owner/Manager of logistics properties in Asia and Australia.

- **Singapore Industrial:**

  Developer/Owner/Manager of industrial properties in Singapore.

- **China and India:**

  Developer/Owner/Manager of properties in PRC and India, excluding:
  – Logistics properties; and
  – Properties held by MGCCT

- **South East Asia:**

  Developer/Owner/Manager of properties, excluding logistics properties in Southeast Asia.

- **North Asia & New Markets:**

  Developer/Owner/Manager of properties in markets other than those listed above.

- **Others:**

  Corporate departments.

34. Segment reporting (continued)

The segment information provided to the EMC for the reportable segments are as follows:

	Singapore Commercial $'000	Logistics $'000	Singapore Industrial $'000	China & India $'000	South East Asia $'000	North Asia & New Markets $'000	Others $'000	Total $'000
2017								
Revenue	600,042	453,318	340,559	63,069	102,378	764,425	5,044	2,328,835
Segmental Results								
Earnings/(Loss) before revaluation gain/(loss), interest and tax	474,255	443,994	257,483	41,093	42,221	551,321	(211,120)	1,599,247
Revaluation gain on investment properties and properties under development	369,106	151,360	73,273	7,817	44,772	317,824	32,666	996,818
Share of (loss)/profit in associated companies and joint ventures	–	(8,065)	–	51,156	6,333	52,947	–	102,371
	843,361	**587,289**	**330,756**	**100,066**	**93,326**	**922,092**	**(178,454)**	**2,698,436**
Finance cost – net								(331,681)
Tax expense								(198,743)
Profit for the year								**2,168,012**
Segment assets	**9,707,117**	**7,996,946**	**3,822,641**	**749,831**	**1,319,460**	**12,227,816**	**435,371**	**36,259,182**
Segment liabilities	**2,818,624**	**3,670,937**	**747,492**	**28,369**	**88,180**	**6,295,269**	**1,386,492**	**15,035,363**
Other segment items:								
Depreciation and amortisation	**(325)**	**(202)**	**(18)**	**(32)**	**(4,791)**	**(1,356)**	**(4,983)**	**(11,707)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
2017										
Geography information										
Revenue	**1,090,430**	**130,896**	**207,113**	**330,094**	**123,364**	**188,363**	**149,759**	**76,586**	**32,230**	**2,328,835**
Non-current assets	**15,217,018**	**1,753,026**	**3,606,870**	**7,526,523**	**1,466,712**	**1,953,732**	**1,172,002**	**1,145,583**	**401,053**	**34,242,519**
Total assets	**15,762,802**	**1,951,579**	**4,102,542**	**7,600,489**	**1,730,085**	**2,160,217**	**1,364,960**	**1,167,060**	**419,448**	**36,259,182**

34. Segment reporting (continued)

	Singapore Commercial $'000	Logistics $'000	Singapore Industrial $'000	China & India $'000	South East Asia $'000	North Asia & New Markets $'000	Others $'000	Total $'000
2016								
Revenue	559,013	396,533	331,600	56,378	59,983	470,915	4,442	1,878,864
Segmental Results								
Earnings/(Loss) before revaluation gain/(loss), interest and tax	433,154	284,357	244,387	23,889	26,049	430,214	(94,470)	1,347,580
Revaluation gain on investment properties and properties under development	230,667	86,624	81,964	6,903	18,713	279,161	31,696	735,728
Share of profit/(loss) in associated companies and joint ventures	4,862	(2,264)	–	59,352	(11,090)	7,492	–	58,352
	668,683	**368,717**	**326,351**	**90,144**	**33,672**	**716,867**	**(62,774)**	**2,141,660**
Finance cost – net								(246,154)
Tax expense								(154,369)
Profit for the year								**1,741,137**
Segment assets	**9,159,364**	**7,471,640**	**3,656,819**	**843,718**	**777,990**	**10,834,801**	**213,665**	**32,957,997**
Segment liabilities	**2,068,139**	**3,848,266**	**1,162,117**	**136,407**	**148,885**	**6,703,642**	**830,800**	**14,898,256**
Other segment items:								
Depreciation and amortisation	**(393)**	**(146)**	**(25)**	**(34)**	**(214)**	**(571)**	**(4,900)**	**(6,283)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2016 Geography information										
Revenue	1,057,817	74,393	188,298	290,160	114,982	41,661	38,856	39,198	33,499	1,878,864
Non-current assets	14,470,598	1,129,031	3,284,008	6,886,467	1,687,634	1,972,516	720,355	837,289	362,188	31,350,086
Total assets	14,924,724	1,248,567	3,761,887	6,933,111	1,913,803	2,168,670	769,804	853,662	383,769	32,957,997

Sales between segments are carried out at market terms. The revenue from external parties reported to the EMC is measured in a manner consistent with that in the statements of comprehensive income.

The EMC assesses the performance of the operating segment based on a measure of earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA"). The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by Group Treasury which manages the cash position of the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2017

35. Listing of significant entities in the Group

(a) Subsidiaries

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by the Company				
Bougainvillea Realty Pte Ltd	Property owner	Singapore	**100**	100
Heliconia Realty Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Capital Management Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Logistics Properties Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Treasury Services Limited	Finance and Treasury centre performing financial and treasury operations and activities for the holding and related companies within the Group	Singapore	**100**	100
Meranti Investments Pte Ltd	Investment holding	Singapore	**100**	100
Mulberry Pte Ltd	Investment holding	Singapore	**100**	100
Mangrove Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Dextra Pte Ltd	Investment holding	Singapore	**100**	100
Sienna Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Developments Pte Ltd	Investment holding	Singapore	**100**	100
Phoenix Chaoyang Pte Ltd	Investment holding	Singapore	**100**	100
The HarbourFront Pte Ltd	Investment holding and property owner	Singapore	**100**	100
Shanghai Mapletree Management Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Management Consultancy Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Property Services Pte Ltd	Investment holding	Singapore	**100**	100
Kent Assets Pte Ltd	Investment holding	Singapore	**100**	100
Suffolk Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree PE Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree SR Holdings Pte Ltd	Investment holding	Singapore	**100**	100
Moonstone Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Trustee Pte Ltd	Investment holding	Singapore	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Mapletree Treasury Services Limited				
Mapletree Treasury Services (HKSAR) Limited	Provision of financial and treasury operations activities for the holding company and related companies within the Group	Hong Kong SAR	**100**	100
Directly held by Mapletree Capital Management Pte Ltd				
Mapletree Logistics Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Industrial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Greater China Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Real Estate Advisors Pte Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Asset Management Pty Ltd	Fund management and advisory services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte Ltd				
Beijing Mapletree Huaxin Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Foshan Mapletree Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Vietnam Management Consultancy Co Ltd	Fund management and advisory services	Vietnam	**100**	100
Mapletree Hong Kong Management Limited	Fund management and advisory services	Hong Kong SAR	**100**	100
Mapletree Malaysia Management Sdn Bhd	Fund management and advisory services	Malaysia	**100**	100
Mapletree Investments Japan Kabushiki Kaisha[1]	Fund management and advisory services	Japan	**100**	100
Mapletree Korea Management Co Ltd[1]	Management services	South Korea	**100**	100
Mapletree UK Management Limited	Fund management and advisory services	United Kingdom	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Mapletree Property Services Pte Ltd				
Mapletree Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Facilities Services Pte Ltd	Commercial and industrial real estate management	Singapore	**100**	100
Mapletree Commercial Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Greater China Property Management Limited	Management services	Hong Kong SAR	**100**	100
Mapletree Regional Services Pte Ltd	Management services	Singapore	**100**	100
Mapletree Project Management Pte Ltd	Management services	Singapore	**100**	100
Mapletree Management Services Japan Kabushiki Kaisha[1]	Management services	Japan	**100**	100
Directly held by Mapletree SR Holdings Pte Ltd				
Mapletree SR Australia Management Pty Ltd	Management services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte. Ltd. and Mapletree Property Services Pte Ltd				
Mapletree India Management Services Private Limited	Fund management and advisory services	India	**100**	100
Directly held by Heliconia Realty Pte Ltd				
Mapletree Business City Pte Ltd	Property owner and development of properties for investment	Singapore	**100**	100
Indirectly held by Mapletree Developments Pte Ltd				
Marina Trust	Property owner and development of properties for investment	Singapore	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by The HarbourFront Pte Ltd				
HarbourFront Two Pte Ltd	Property owner	Singapore	**100**	100
HarbourFront Centre Pte Ltd	Property owner	Singapore	**100**	100
Directly held by Mapletree Dextra Pte Ltd				
Winning Paramount Sdn Bhd	Development of properties for investment	Malaysia	**100**	100
Indirectly held by Mapletree Dextra Pte Ltd				
Godo Kaisha Odawara I[2]	Property owner	Japan	**–**	100
Godo Kaisha Odawara II[2]	Property owner	Japan	**–**	100
Godo Kaisha Apricot	Property owner	Japan	**91**	91
Mapletree TY (HKSAR) Limited	Property investment	Hong Kong SAR	**100**	100
Ever-Fortune Trading Center Joint Stock Company	Property owner	Vietnam	**100**	100
Mapletree Business City (Vietnam) Co Ltd	Property owner	Vietnam	**100**	100
Saigon Boulevard Complex Company Limited[3]	Property owner	Vietnam	**100**	–
Sunstone KB (HKSAR) Limited	Development of properties for investment	Hong Kong SAR	**100**	100
Arca Technology (Beijing) Co Ltd	Property owner	PRC	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	Effective interest held by the Group 2016 %
Indirectly held by Mapletree SR Holdings Pte Ltd				
Labrador Cascades LLC	Property owner	United States of America	**100**	100
Boulevard City LLC	Property owner	United States of America	**100**	100
Oakwood Global Housing Solutions Canada Inc[3]	Management services	United States of America	**100**	–
Oakwood/ R&B Holdings Pte Ltd[4]	Management services	United States of America	**100**	49
Worldwide Corporate Housing LP[3]	Management services	United States of America	**100**	–
Pine (UK) Holdings Ltd[3]	Management services	United Kingdom	**100**	–
Indirectly held by Moonstone Assets Pte Ltd				
Montague QL Trust	Property owner	Australia	**100**	100
Grafton ROA Trust	Property owner	Australia	**100**	100
Aberdeen IQ Unit Trust	Property owner	United Kingdom	**100**	100
Hardman Investments Unit Trust	Property owner	United Kingdom	**100**	100
Glass Wharf Jr Limited	Property owner	United Kingdom	**100**	100
West Munich Assets Sarl	Property owner	Luxembourg/Germany	**100**	100
Rhein Assets Sarl	Property owner	Luxembourg/Germany	**100**	100
Derry Park Assets (UK) Limited	Property owner	United Kingdom	**100**	100
Green Park Reading No.1 LLP	Property owner	United Kingdom	**100**	–

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Meranti Investments Pte Ltd, Mangrove Pte Ltd, Mulberry Pte Ltd, Mapletree Logistics Properties Pte Ltd and Mapletree Logistics Trust Management Ltd				
Mapletree Logistics Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**39**	40
Directly held by Sienna Pte Ltd, The HarbourFront Pte Ltd, HarbourFront Place Pte Ltd, HarbourFront Eight Pte Ltd and Mapletree Commercial Trust Management Ltd				
Mapletree Commercial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**34**	38
Directly held by Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, Mapletree Greater China Commercial Trust Management Ltd and Mapletree Greater China Property Management Limited				
Mapletree Greater China Commercial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**35**	34
Directly held by Mapletree Dextra Pte. Ltd. and Mapletree Industrial Management Ltd				
Mapletree Industrial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**34**	34

Notes to the Financial Statements

For the financial year ended 31 March 2017

35. Listing of significant entities in the Group (continued)

(b) Associated companies / Joint venture

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly or indirectly held by Mapletree PE Pte Ltd				
Mapletree China Opportunity Fund II Feeder LP	Investment holding and property owner	Cayman Islands/PRC	**36**	36
NH Assets Pte Ltd	Investment holding and property owner	Singapore/PRC	**24**	24
MJLD Pte Ltd	Investment holding and property owner	Singapore/Japan	**38**	38
MJOF Pte Ltd	Investment holding and property owner	Singapore/Japan	**36**	36
Indirectly held by Mapletree Dextra Pte Ltd				
Mapletree India China Fund Ltd	Investment holding and property owner	Cayman Islands/ PRC	**43**	43
Vietsin Commercial Complex Development Joint Stock Company[6]	Property owner	Vietnam	**62**	62
Indirectly held by Moonstone Assets Pte Ltd				
MGSA P-Trust[7]	Investment holding and property owner	Singapore/United States of America/ United Kingdom	**33**	100

1 Not required to be audited under the legislations in the country of incorporation.
2 Divested to MJLD during the year (Note 37(d)).
3 Incorporated/Acquired during the year.
4 Increase of the Group's interest in Oakwood/ R&B Holdings Pte Ltd through the acquisition of Oakwood Worldwide (Note 37(a)).
5 Control of the REITs without majority equity interest and voting power (Note 15).
6 Joint control of VCCD (Note 14).
7 Formerly known as Mapletree Avon Trust.

36. Summarised financial information on subsidiaries with material non-controlling interests

The Group's subsidiaries with material non-controlling interests comprise the following:

	Group	
	2017 $'000	**2016 $'000**
MCT	**2,623,414**	1,703,162
MGCCT	**2,358,828**	2,242,385
MIT	**1,665,195**	1,622,117
MLT	**1,567,675**	1,528,430
Others	**6,802**	81,229
	8,221,914	7,177,323

The REITs are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subjected to review by the trustee of the REITs or significant transaction must be approved by a majority of votes by the remaining unitholders in the REITs at a meeting of unitholders. Under the respective trust deeds, neither the Group nor any other unitholders have the right to transfer assets (or part therefore) of the REITs to other entities within or outside of the Group.

Set out below are the summarised financial information of the REITs. These are presented before inter-company eliminations.

Summarised statements of financial position

	MLT $'000	**MCT $'000**	**MIT $'000**	**MGCCT $'000**
2017				
Assets				
– Current assets	129,351	57,298	49,408	292,551
– Non-current assets	5,557,354	6,348,355	3,748,653	6,236,369
Liabilities				
– Current liabilities	(402,332)	(71,846)	(223,731)	(356,059)
– Non-current liabilities	(2,094,696)	(2,376,354)	(1,041,541)	(2,536,541)
Net assets	**3,189,677**	**3,957,453**	**2,532,789**	**3,636,320**
Net assets attributable to non-controlling interests	**1,567,675**	**2,623,414**	**1,665,195**	**2,358,828**
2016				
Assets				
– Current assets	123,037	69,705	65,750	221,746
– Non-current assets	5,084,325	4,345,474	3,558,191	5,931,758
Liabilities				
– Current liabilities	(394,324)	(411,707)	(127,054)	(647,398)
– Non-current liabilities	(1,934,578)	(1,239,496)	(1,031,663)	(2,089,919)
Net assets	2,878,460	2,763,976	2,465,224	3,416,187
Net assets attributable to non-controlling interests	1,528,430	1,703,162	1,622,117	2,242,385

36. Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statements of comprehensive income

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
2017				
Revenue	373,138	377,747	340,565	350,629
Profit before income tax	**252,847**	**345,840**	**270,571**	**412,579**
Income tax expense	(40,166)	–	–	(40,080)
Profit after income tax	**212,681**	**345,840**	**270,571**	**372,499**
Other comprehensive income/(loss)	49,246	(812)	(1,127)	14,687
Total comprehensive income	**261,927**	**345,028**	**269,444**	**387,186**
Total comprehensive income allocated to non-controlling interests	**141,430**	**225,751**	**177,223**	**250,987**
Dividends paid to non-controlling interests	**(111,478)**	**(131,278)**	**(134,145)**	**(133,593)**
2016				
Revenue	349,905	287,761	331,598	336,638
Profit before income tax	235,353	298,710	272,580	465,944
Income tax expense	(25,799)	–	–	(37,843)
Profit after income tax	209,554	298,710	272,580	428,101
Other comprehensive loss	(31,694)	(4,614)	(7,023)	(119,431)
Total comprehensive income	177,860	294,096	265,557	308,670
Total comprehensive income allocated to non-controlling interests	95,546	181,136	176,115	203,132
Dividends paid to non-controlling interests	(110,443)	(105,703)	(129,517)	(124,830)

36. Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statement of cash flows

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
2017				
Cash generated from operations	279,129	292,682	234,046	241,681
Income tax paid	(12,233)	(5,111)	–	(14,898)
Net cash generated from operating activities	**266,896**	**287,571**	**234,046**	**226,783**
Net cash (used in)/generated from investing activities	**(359,306)**	**(1,852,750)**	**(103,856)**	**2,251**
Net cash generated from/(used in) financing activities	**91,370**	**1,555,497**	**(146,545)**	**(198,933)**
Net (decrease)/increase in cash and cash equivalents	**(1,040)**	**(9,682)**	**(16,355)**	**30,101**
Cash and cash equivalents at beginning of financial year	93,316	63,589	54,340	206,107
Effect of currency translation on cash and cash equivalents	282	–	–	(1,351)
Cash and cash equivalents at end of financial year	**92,558**	**53,907**	**37,985**	**234,857**
2016				
Cash generated from operations	242,522	212,725	219,500	286,175
Income tax (paid)/refund	(11,502)	–	166	(21,252)
Net cash generated from operating activities	231,020	212,725	219,666	264,923
Net cash used in investing activities	(388,744)	(6,911)	(43,532)	(290,219)
Net cash generated from/(used in) financing activities	145,760	(197,093)	(193,755)	108,120
Net (decrease)/increase in cash and cash equivalents	(11,964)	8,721	(17,621)	82,824
Cash and cash equivalents at beginning of financial year	106,860	54,868	71,961	125,110
Effect of currency translation on cash and cash equivalents	(1,580)	–	–	(1,827)
Cash and cash equivalents at end of financial year	93,316	63,589	54,340	206,107

37. Acquisition and disposal of subsidiaries

(a) Acquisition of subsidiaries which constitute a business combination

Acquisition of Kumho Asiana Plaza Saigon Co. Ltd.

In June 2016, the Group completed the acquisition of 100% equity interest in Kumho Asiana Plaza Saigon Co. Ltd. ("KAP") from Kumho Industrial Company Limited and Asiana Airlines Limited as part of the overall strategy to invest in income-yielding assets. KAP is located in District 1 of Ho Chi Minh City, Vietnam, and is a prime mixed-use asset comprising 21-storey Grade A office building, 32-storey serviced apartment tower, 21-storey hotel, and a retail podium with food and beverage offerings.

Purchase consideration

The purchase consideration is US$219.4 million (approximately $296.1 million), and was arrived at after taking into account the fair value of the asset on acquisition date.

Acquisition-related costs

Acquisition-related costs of $8.5 million have been recognised in "Professional fees" in the Group's statement of profit or loss for the financial year ended 31 March 2017.

37. Acquisition and disposal of subsidiaries (continued)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

Acquisition of Kumho Asiana Plaza Saigon Co. Ltd. (continued)

Identifiable assets acquired and liabilities assumed, at fair value

	2017 $'000
Cash and cash equivalents	25,866
Trade and other receivables	2,122
Other assets	1,064
Deferred income taxes (Note 23)	1,031
Investment properties (Note 16)	310,528
Property, plant and equipment (Note 18)	137,455
Inventory	235
Total assets	478,301
Trade and other payables	24,660
Borrowings	131,687
Total liabilities	156,347
Total identifiable net assets acquired	321,954
Total consideration	321,954
Cash of subsidiary acquired	(25,866)
Cash outflow on acquisition	**296,088**

Revenue and profit contribution

From the acquisition date, KAP has contributed revenue of $64.0 million and profit for the financial period of $78.0 million to the Group. Had KAP been consolidated from 1 April 2016, the impact to the Group's revenue and profit for the financial year ended 31 March 2017 would have been $78.0 million and $75.0 million respectively.

Acquisition of Oakwood Worldwide

In February 2017, the Group acquired 100% shareholding interest in Oakwood Worldwide ("Oakwood"), a premier global provider of corporate housing and serviced apartment solutions, as part of its long-term strategy to strengthen its corporate housing and serviced apartment business. This acquisition is pursuant to the exercise of the option granted to the Group under the Call Option and Purchase Agreement for the acquisition of the 49% interest in Oakwood R&B (Holdings) Ltd ("ORBH") dated 10 April 2014.

Purchase consideration

The purchase consideration is US$124.0 million (approximately $172.0 million), and was arrived at after taking into account the net tangible asset value as at 16 February 2017 of US$52.1 million (approximately $72.3 million), and fair value of comparable businesses.

Acquisition-related costs

Acquisition-related costs of $5.1 million have been recognised in "Professional fees" in the Group's statement of profit or loss for the financial year ended 31 March 2017.

37. Acquisition and disposal of subsidiaries (continued)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

Acquisition of Oakwood Worldwide (continued)

Goodwill arising from acquisition

The Group has engaged an independent firm to perform purchase price allocation ("PPA") exercise for Oakwood which is currently in progress. Pending the finalisation of the PPA report, the purchase consideration has been provisionally allocated as shown below. The residual excess of consideration paid over the fair values of identifiable assets and liabilities have been recorded as provisional goodwill amounting to US$24.6 million (approximately $34.3 million).

Identifiable assets acquired and liabilities assumed, at fair value

	2017 $'000
Cash and cash equivalents	12,956
Trade and other receivables	48,969
Other assets	18,877
Property, plant and equipment (Note 18)	14,834
Trade names (Note 19(b))	73,753
Customer-related intangibles (Note 19(c))	18,715
Inventory	15,589
Total assets	203,693
Trade and other payables	33,766
Deferred income taxes (Note 23)	1,909
Finance lease liabilities	5,191
Total liabilities	40,866
Total identifiable net assets purchased	162,827
Goodwill (Note 19(d))	34,341
49% interest in ORBH	(25,181)
Total consideration	171,987
Cash of subsidiaries acquired	(12,956)
Cash outflow on acquisition	**159,031**

Revenue and profit contribution

From the acquisition date, Oakwood has contributed revenue of $57.4 million and loss for the financial period of $5.2 million to the Group. Had Oakwood been consolidated from 1 April 2016, the impact to the Group's revenue and profit for the year ended 31 March 2017 would have been $922.7 million and $2.6 million respectively.

37. Acquisition and disposal of subsidiaries (continued)

(b) Acquisition of subsidiaries which does not constitute a business combination

The list of acquisition of subsidiaries which does not constitute a business combination is as follows:

Financial year ended 31 March 2017

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Green Park One Investment Limited	Jersey	May 2016	100%
Green Park Two Investment Limited	Jersey	May 2016	100%
Green Park Reading No. 1 LLP	UK	May 2016	100%
Greenpark (Reading) Limited	UK	May 2016	88.2%

Financial year ended 31 March 2016

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Derry Park Assets (UK) Limited	UK	May 2015	100%
Jaya Section Fourteen Sdn Bhd#	Malaysia	July 2015	75%
Aberdeen IQ Unit Trust	UK	October 2015	100%
Hardman Investments Unit Trust	UK	October 2015	100%
Glass Wharf JV Limited	UK	October 2015	100%
Shanghai Fullshine Industrial Development Co Ltd#	PRC	November 2015	60%
Rhein Assets Sarl	Germany	January 2016	100%
West Munich Sarl	Germany	January 2016	100%
Camden London Limited	UK	March 2016	100%

Previously associated companies of the Group.

The cash flows and net assets of subsidiaries acquired are provided below:

	Group	
	2017 $'000	2016 $'000
Cash and cash equivalents	**42,216**	46,426
Trade and other receivables	**81,410**	8,773
Other assets	**–**	10,673
Investment properties (Note 16)	**1,021,609**	1,754,124
Property, plant and equipment (Note 18)	**–**	222
Trade and other payables	**(51,878)**	(61,437)
Borrowings	**(818,335)**	(976,055)
Net assets acquired/Total purchase consideration	**275,022**	782,726
Less:		
Cash of subsidiaries acquired	**(42,216)**	(46,426)
Deposit paid	**(109,780)**	–
Cash outflow on acquisition	**123,026**	736,300

(c) Acquisition of additional interest in a subsidiary

In December 2015, the Group acquired an additional 39% interest in an existing subsidiary, Harbourfront Two Pte Ltd, from the non-controlling interest for a consideration of $226.8 million. The excess of consideration paid over the carrying value of non-controlling interest amounted to $19.7 million and was recognised to capital reserve within equity.

37. Acquisition and disposal of subsidiaries (continued)

(d) Disposal of subsidiaries

The list of disposal of subsidiaries is as follows:

Financial year ended 31 March 2017

Name of subsidiaries	Date of disposal	Effective interest disposed
Godo Kaisha Joso	February 2017	60%
Godo Kaisha Odawara 1	February 2017	60%
Godo Kaisha Odawara 2	February 2017	60%
MGSA P-Trust	March 2017	67%
Great North Holdings Pte Ltd	March 2017	67%
Oxfordshire Asset Limited	March 2017	67%
London Crescent Limited	March 2017	67%
Lancashire Assets Limited	March 2017	67%
Lincolnshire Assets Limited	March 2017	67%
Highland Assets Limited	March 2017	67%
Leicestershire Assets Limited	March 2017	67%
Roosevelt Assets Limited	March 2017	67%
HF (USA) Inc	March 2017	67%
Jefferson Loft Holdings Pte Ltd	March 2017	67%
Jefferson Loft (US) assets Pte Ltd	March 2017	67%
Jefferson Loft LLC	March 2017	67%
Madison Loft Holdings Pte Ltd	March 2017	67%
Madison Loft (US) Assets Pte Ltd	March 2017	67%
Madison Loft LLC	March 2017	67%

The cash flows and net assets of subsidiaries disposed are provided below:

	Group
	2017 **$'000**
Cash and cash equivalents	**42,701**
Trade and other receivables	**40,713**
Other assets	**24,685**
Investment properties (Note 16)	**2,052,667**
Property, plant and equipment (Note 18)	**66**
Trade and other payables	**(101,387)**
Deferred income taxes (Note 23)	**(16,979)**
Borrowings	**(1,885,019)**
Net assets derecognised/disposed	**157,447**
Corporate restructuring surplus	**153,509**
Reclassification of currency translation reserve	**5,018**
Less: 3% retained interest	**(6,959)**
	309,015
Cash of subsidiaries disposed	**(42,701)**
Cash inflow on disposal	**266,314**

There was no disposal of subsidiaries for the financial year ended 31 March 2016.

38. New accounting standards and FRS interpretations

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 or later periods and which the Group had not early adopted:

- **FRS 7 Statement of cash flows** ***(effective for annual periods beginning on or after 1 January 2017)***

  The amendments to FRS 7 sets out the required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

  The Group will apply the amendment from 1 April 2017.

- **FRS 115 Revenue from contracts with customers** ***(effective for annual periods beginning on or after 1 January 2018)***

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 109 Financial Instruments** ***(effective for annual periods beginning on or after 1 January 2018)***

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

  The Group is assessing the impact of the standard and will apply the standard from 1 April 2018.

- **FRS 116 Leases** ***(effective for annual periods beginning on or after 1 January 2019)***

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay leases are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, including land rent paid/payable to the land authorities for the financial year, the Group has non-cancellable operating lease commitments of $247.1 million (2016: $67.2 million) (Note 27(c)). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

39. Events after the reporting date

On 11 March 2016, the Group signed a forward purchase agreement relating to the acquisition of a mid-rise serviced apartment consisting of 201 units in the USA, for a total consideration of US$110 million (approximately $154.1 million). The acquisition was completed on 17 April 2017.

On 7 April 2017, the Group signed an agreement relating to the acquisition of a portfolio of eight student housing assets and four multi-family assets in the USA and Canada.

On 12 May 2017, the Group issued new perpetual securities through its wholly-owned subsidiary, MTSL, with an aggregated principal amount of $700 million, bearing distributions at a rate of 3.95% per annum, payable semi-annually. The proceeds from these new perpetual securities will be used to refinance its 2012 perpetual securities issuance and for other general corporate purposes.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Mapletree Investments Pte Ltd on 17 May 2017.

Our Offices

Singapore

Mapletree Investments Pte Ltd
10 Pasir Panjang Road #13-01,
Mapletree Business City,
Singapore 117438
Tel: +65 6377 6111
Fax: +65 6273 2753

Australia

Mapletree Asset Management Pty Ltd
Unit 2318, Level 23,
52 Martin Place,
Sydney NSW 2000, Australia
Tel: +61 2 9220 5098

China

Shanghai Mapletree Management Co., Ltd
Unit 401, Silver Court,
No. 228 South Xizang Road,
Huangpu District,
Shanghai 200021, China
Tel: +86 21 2316 7677
Fax: +86 21 2316 7700

Beijing Mapletree Huaxin Management Consultancy Co., Ltd
Suite 5BCD1 Tower B, Gateway Plaza,
18 Xiaguangli,
East Third Ring North Road,
Chaoyang District,
Beijing 100027, China
Tel: +86 10 5793 0333
Fax: +86 10 5793 0300

Foshan Mapletree Management Consultancy Co., Ltd
Floor 1, Block 4, Zone 1,
South Station Enterprise City,
No. 6 Gangkou Road, Guicheng Street,
Nanhai District, Foshan,
Guangdong Province 528251, China
Tel: +86 757 8199 3980
Fax: +86 757 8199 3974

Guangzhou Mapletree Huaxin Enterprise Management Consultancy Co., Ltd
4108 Unit, Tower A,
Zhongtai International Plaza,
No. 161, Lin He West Road,
Tianhe District, Guangzhou,
Guangdong Province 510610, China
Tel: +86 20 3250 2000
Fax: +86 20 3250 2029

Hong Kong SAR

Mapletree Hong Kong Management Limited
Suites 2001-2, 20/F, Great Eagle Centre,
23 Harbour Road, Wan Chai,
Hong Kong
Tel: +852 2918 9855
Fax: +852 2918 9915

India

Mapletree India Management Services Private Limited
Tower A, Ground Floor,
Global Technology Park,
Marathahalli Outer Ring Road,
Devarabeesanahalli Village, Varthur Hobli,
Bangalore 560103,
Karnataka, India
Tel: +91 80 6639 0800
Fax: +91 80 6639 0888

Japan

Mapletree Investments Japan Kabushiki Kaisha
Level 10, Omori Prime Building,
6-21-12 Minamioi, Shinagawa-ku,
Tokyo 140-0013, Japan
Tel: +81 3 6459 6469
Fax: +81 3 3766 3133

Malaysia

Mapletree Malaysia Management Sdn Bhd
Suite 12.05, Level 12,
Centrepoint North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel: +603 2289 9000
Fax: +603 2283 6128

South Korea

Mapletree Korea Management Co., Ltd
9F, Leema Building,
42 Jong-ro 1-gil, Jongno-gu,
Seoul, Korea, 03152
Tel: +82 2 6742 3200
Fax: +82 2 6742 3230

United Kingdom

Mapletree UK Management Limited
Floor 1B, 80 Hammersmith Road,
London, W14 8UD,
United Kingdom
Tel: +44 207 6054 668

USA

Mapletree US Management, LLC
Unit Nos. 472 to 474,
2029 Century Park East,
Suite 400N, Los Angeles,
California 90067,
United States
Tel: +1 310 867 2720

Vietnam

Mapletree Vietnam Management Consultancy Co., Ltd
18 L2-1 Tao Luc 5 Street (VSIP II),
Vietnam-Singapore Industrial Park II,
Binh Duong Industry - Service - Urban Complex, Hoa Phu Ward, Thu Dau Mot City,
Binh Duong Province, Vietnam
Tel: +84 274 3543 688
Fax: +84 274 3767 678

Unit 501, Mapletree Business Centre,
1060 Nguyen Van Linh Parkway,
Tan Phong Ward, District 7,
Ho Chi Minh City, Vietnam
Tel: +84 28 3776 0304/5
Fax: +84 28 3776 0375

Unit 306, Pacific Place Building,
83B Ly Thuong Kiet Street,
Hoan Kiem District,
Hanoi, Vietnam
Tel: +84 24 3946 0355
Fax: +84 24 3946 0359

Mapletree Investments Pte Ltd

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438
Tel: +65 6377 6111
Fax: +65 6273 2753
www.mapletree.com.sg

Co. Reg. No.: 200010560E

mapletree

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC™ C124277