mapletree

NEW MARKETS
NEW OPPORTUNITIES

ANNUAL REPORT 2018/2019

Mapletree Business City II (MBC II), Singapore

Mapletree's Annual Report 2018/2019 theme details the Group's growth into new markets which identify new opportunities.

The cover design comes from the inspiration to showcase Mapletree's flagship business park in Singapore, MBC II, together with 262 logistics assets, which formed the Group's first private fund in the United States and Europe – Mapletree US & EU Logistics Private Trust (MUSEL), syndicated during the financial year.

NEW MARKETS
NEW OPPORTUNITIES

Mapletree concluded its second Five-Year Plan in Financial Year 18/19 (FY18/19) and delivered an outstanding set of results. As at 31 March 2019, Mapletree attained revenue of S$3,948.1 million and achieved a record profit after tax and minority interests (PATMI) of S$2,161.1 million. The Group grew its assets under management (AUM) to S$55.7 billion in FY18/19 through the broadening of its global footprint into new markets five years ago.

REVENUE

S$3,948.1 MILLION

PATMI

S$2,161.1 MILLION

TOTAL AUM

S$55.7 BILLION

TOTAL GROSS FLOOR AREA (square metres)

~22 MILLION

EXPANSIVE PORTFOLIO ACROSS

12 MARKETS

TOTAL AMOUNT COMMITTED TO COMMUNITIES (since FY10/11)

S$24.3 MILLION

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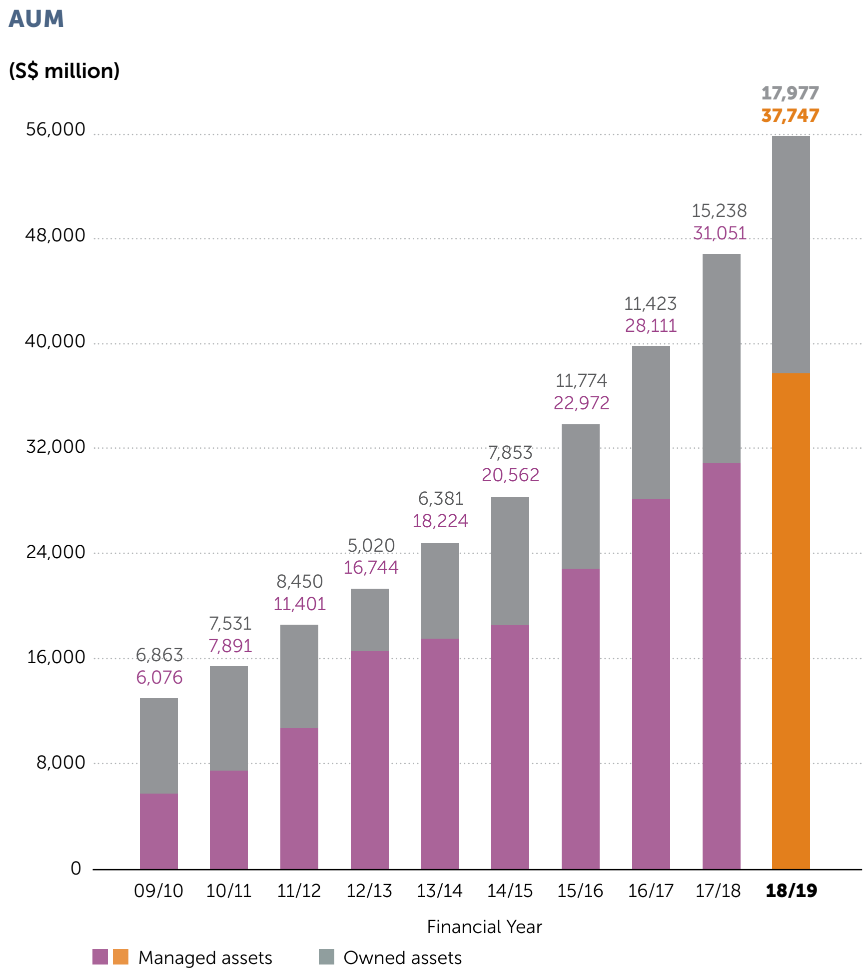
PERFORMANCE HIGHLIGHTS

Mapletree successfully achieved the targets set in the second Five-Year Plan in the financial year ended 31 March 2019 (FY18/19). The record profitability was underpinned by growth in asset performance, fee businesses, new acquisitions and completed development projects. The Group continued to expand beyond Asia into new markets in Australia, Europe and the United States five years ago.

In five years, Mapletree's assets under management (AUM) more than doubled to S$55.7 billion, with 67.7% being third-party AUM. The Group's earnings base also expanded to include a higher record of S$2,212 million in EBIT + SOA[1], and fee income[2] of S$450.7 million. Mapletree also delivered five-year average return on invested equity (ROIE)[3] of 11.0% and NAV CAGR[4] of 13.1%. Overall, revenue increased to S$3,948.1 million with profit after tax and minority interest (PATMI)[5] hitting a strong record of S$2,161.1 million.

TOTAL ASSETS UNDER MANAGEMENT (AUM)
(FY18/19)

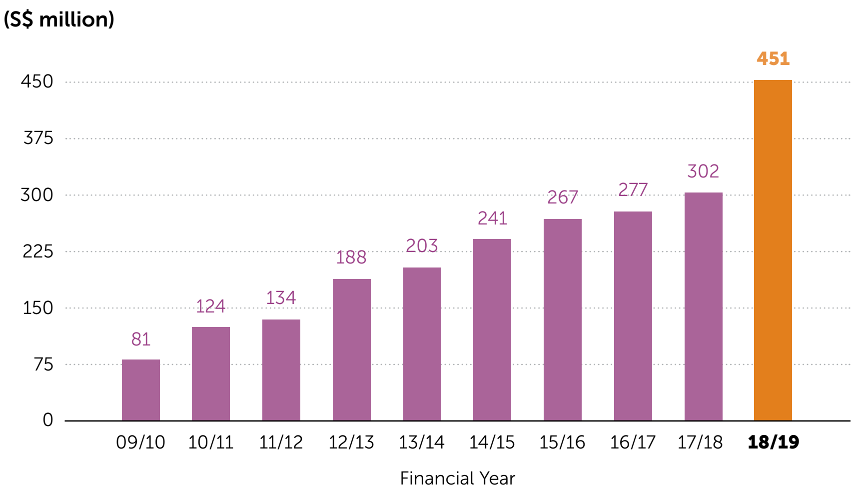
S$55.7 BILLION



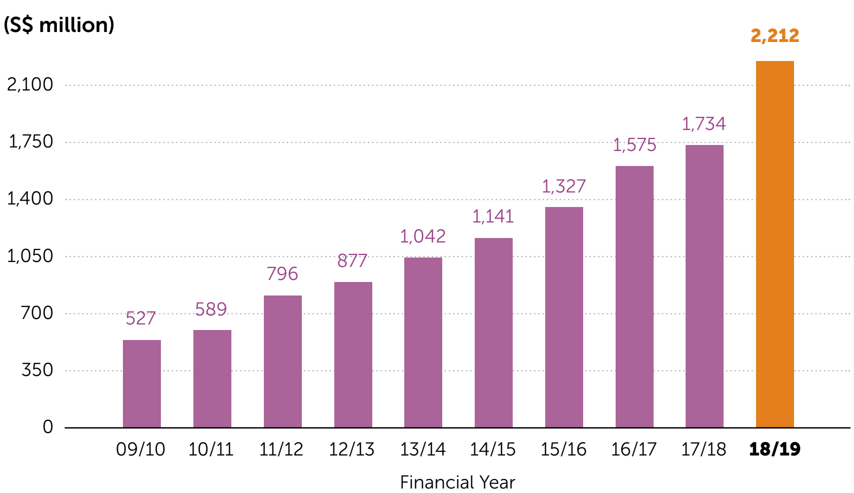
PATMI[5]
(FY18/19)

S$2,161.1 MILLION

FEE INCOME[2]



EBIT + SOA[1]



Average Five-Year ROIE[3]
(From FY14/15 - FY18/19)

11.0%

Average 10-Year ROIE[3]
(From FY09/10 - FY18/19)

12.5%

Five-Year NAV CAGR[4]
(From FY14/15 - FY18/19)

13.1%

10-Year NAV CAGR[6]
(From FY09/10 - FY18/19)

12.2%

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

2 Includes REIT management fees.

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 at 31 March 2014 as starting base.

5 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.

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 2009 as starting base.

SOLID FOUNDATION SOLID GROWTH

Mapletree's business model creates value through our core capabilities in real estate development, investment, capital and property management. In FY18/19, we deepened our footprint in Australia, China, Europe, India and the United States, specifically in the logistics, student accomodation and office sectors.

DEVELOPER
CREATE VALUE

We transform greenfield lands, underperforming assets and precincts into high-value real estate with our strong development know-how.

INVESTOR
CAPITALISE ON OPPORTUNITIES

We pursue, seize and underwrite new business opportunities across the entire real estate value chain.

REAL ESTATE CAPABILITIES

CAPITAL MANAGER
GROW THIRD-PARTY AUM

We employ a 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 equity funds.

PROPERTY MANAGER
STEWARD OF ASSETS

We provide a suite of quality property management services to our tenants and ensure that their operational needs are met.

ABOUT THE ART PIECE
sun rise // sun set

Displayed at Mapletree Business City in Singapore, sun rise // sun set, aims to provoke contemplation and reflection amidst the progression of time. The shadows cast by the undulating roof onto the side columns and by the columns to the steps, change and move slowly to portray time. The transitional and alternating shadows cast are tranquil yet mysterious. The structure is intended to provide an interactive space for one to walk through and explore their shadows, both a reflection of self and light.

The work is a design collaboration between Mapletree and the Department of Architecture, School of Design and Environment, National University of Singapore (NUS), using 488 recycled planks collected from the re-decking of the VivoCity Sky Park in 2017. This is one of the eco-sustainability initiatives of Mapletree.

CORPORATE OVERVIEW

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

Mapletree has been investing actively in income-yielding assets globally. From incorporating our key strengths as a developer, investor, capital and property manager, we have been growing our portfolio of income-producing assets globally. In line with Mapletree's strategy to grow new income streams beyond Asia and diversify its business, we ventured into the developed, transparent and highly liquid markets of Australia, Europe, the United Kingdom (UK) and the United States (US).

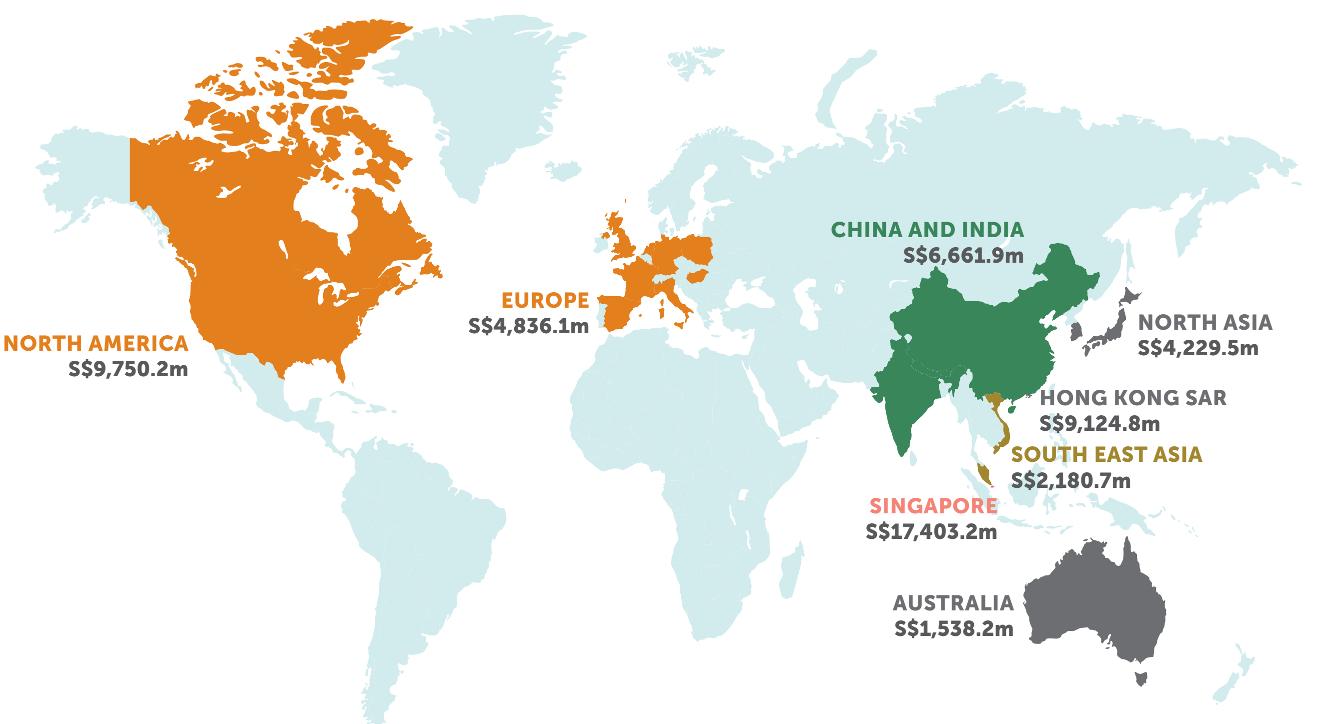
During FY18/19, the Group continued to broaden its presence by successfully making acquisitions of office, student accommodation and logistics assets in Australia, China, Europe, India, Japan, the UK and the US.

As at 31 March 2019, the Group had S$55.7 billion of assets under management (AUM). Over S$37.7 billion, or about 67.7% of the Group's AUM are held under four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds. Mapletree strives to maintain an optimal capital structure that provides financial flexibility to pursue new investment opportunities.

Mapletree's properties span across 12 markets, namely Singapore, Australia, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. Mapletree owns and manages a diversified portfolio of office, mixed-use, retail, logistics, industrial, residential and lodging assets.

To support its global operations including Oakwood, Mapletree has more than 3,400 employees operating from our extensive network of offices.

AUM BY GEOGRAPHY[1]



OUR BUSINESS SEGMENTS

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

Logistics Development
Developer/investor/manager of logistics properties in China, Malaysia and Vietnam

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

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

Capital Management Platform
Private real estate fund:
- CIMB-Mapletree Real Estate Fund 1

Australia-New Zealand, North Asia and Oakwood
Developer/investor/manager of properties in Australia, Hong Kong SAR, Japan and Oakwood

Capital Management Platform
Private real estate funds:
- MJLD
- MJOF[2]

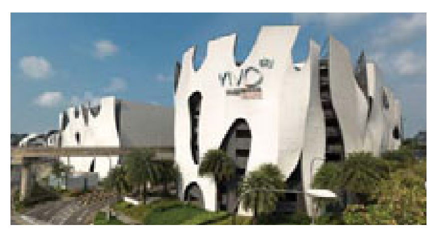
Europe and USA
Developer/investor/manager of properties in Canada, Europe, the UK and the US

Capital Management Platform
Private real estate funds:
- Mapletree Global Student Accommodation Private Trust (MGSA)
- Mapletree US & EU Logistics Private Trust (MUSEL)

SINGAPORE-LISTED REITS

Mapletree Logistics Trust
Manager of logistics properties in Singapore, Australia, China, Hong Kong SAR, Japan, Malaysia, South Korea and Vietnam

Mapletree Industrial Trust
Manager of industrial properties and data centres in Singapore and the US



Mapletree Commercial Trust
Manager of office, business park and retail properties in Singapore

Mapletree North Asia Commercial Trust[3]
Manager of commercial properties in China, Hong Kong SAR and Japan

1 Geography covers regions in accordance with Mapletree's business segments and REITs.

2 This Japan-focused private fund was fully realised in March 2019.

3 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

MESSAGE FROM THE CHAIRMAN

Mr Edmund Cheng

STRONGER PERFORMANCE

Financial Year 2018/2019 (FY18/19) was fruitful and rewarding for Mapletree despite escalating geopolitical tensions and uncertainties in the global economy. Against all odds, Mapletree capitalised on our position as a leading real estate company and capped off our second Five-Year Plan with record profit earnings.

Mapletree's profit after tax and minority interests (PATMI)[1] rose 10.3% to S$2,161.1 million, and the Group steadily expanded its total owned and managed assets under management (AUM) to S$55.7 billion, an increase of 20.3% from FY17/18.

The Group also witnessed a stable growth with total revenue of S$3,948.1 million. The five-year average return on invested equity (ROIE)[2] was 11% in FY18/19, and net asset value compounded annual growth rate (NAV CAGR)[3] since 1 April 2014 was 13.1%.

Looking back at the two sets of Five-Year Plans, Mapletree has grown tremendously in terms of AUM, fee income[4] and EBIT+ SOA[5]. Implemented at the start of FY09/10, these performance targets enabled the Group to focus on its objectives and strategy, including charting its growth amid the headwinds. The third Five-Year Plan that we have recently formulated continues to be ambitious but is realistic, and will lead the path for the Group to become one of the largest real estate companies in Asia.

Mapletree has journeyed a long way since its inception in 2000 as a Singapore-focused company. Back then, we had envisioned to set foot in new markets and venture beyond Asia. I am delighted that we have achieved our vision and witnessed the Group's expansion in its global footprint, which spans across continents including Australia, Europe and North America.

BRANCHING OUT, BUILDING BUSINESS

Beyond recording favourable results in FY18/19, the Group made successful forays into the territory of competitive new sectors.

Harnessing our experience as a real estate provider, Mapletree made its maiden logistics acquisition in the United States (US) and Europe with an investment of US$3.3 billion (~S$4.5 billion) and EUR1 billion (~S$1.5 billion) during the year. Completed over several tranches, the portfolio of 283 high-quality logistics assets are located in key locations with well-connected transportation nodes.

Subsequently, the Group syndicated a logistics private trust comprising logistics assets in the US and Europe, Mapletree US & EU Logistics Private Trust (MUSEL). This private fund has invested in a portfolio of 262 logistics properties across 26 states in the US and 20 European cities across seven European countries.

Since entering the European markets in FY15/16, the Group has also grown its portfolio significantly in the United Kingdom (UK), with acquisitions of the 79-hectare leading business park, Green Park, in Reading and in other core regional cities such as Manchester, Bristol and Aberdeen.

In May 2018, Mapletree entered into a forward funding acquisition project to develop a 452-bed student housing asset, Cottages@Westwood, located in the UK. Completion is estimated to be in end-2019 and will be the nearest private purpose-built student accommodation to the University of Warwick.

Following which, in June 2018, Mapletree entered into a joint venture for the development of a 513-bed student housing asset in Philadelphia, Pennsylvania, the US. Strategically located within the University of Pennsylvania campus ground and opposite the Wharton School of Business, the property is under construction, with partial completion expected in mid-2020.

In South Asia, Mapletree made its largest acquisition in India which added Global Infocity Park Chennai to its portfolio. Spanning across three towers, the IT office park offers approximately 250,000 square metres (sqm) of net leasable space and is conveniently located in one of the largest office precincts for IT tenants in India.

Closer to home, Mapletree unveiled the design of Grade A office twin towers, V Plaza, and officially opened Oakwood Residence Saigon — the first Mapletree-developed corporate housing/serviced apartment in Ho Chi Minh City (HCMC), Vietnam. The event was graced by Guest-of-Honour, then Deputy Prime Minister of Singapore, Teo Chee Hean.

A logistics property under MUSEL in California, US

MESSAGE FROM THE CHAIRMAN

V Plaza is set for completion in 2023 and will be the final phase of Saigon South Place in District 7 of HCMC.

Mapletree also collaborated with Faire Soapworks — a social cause co-founded by a team of students from Singapore Polytechnic and University of Economics Ho Chi Minh City to alleviate the livelihood of Vietnamese farmers in Củ Chi village. Through a start-up grant from Mapletree, each guest received a gift box of chemical-free soap, produced from excess cows' milk.

Back at Mapletree's headquarters in Singapore, CoQoons Coworking, marked a healthy occupancy rate of 85% as at 31 March 2019 – less than a year since it began operations in May 2018. Situated at HarbourFront Tower Two, the 1,000-sqm co-working office provides start-ups, small and medium-sized enterprises (SMEs), multinational corporations (MNCs) and HarbourFront tenants with flexible office set-ups. These include hot desks, dedicated desks, private offices, meeting rooms and a cosy event space. By offering this self-sustaining office solution, CoQoons helped Mapletree optimise vacancy in its asset – a win-win strategy the Group has effectively deployed.

UPLIFTING AND ENRICHING OUR COMMUNITIES

On the Corporate Social Responsibility (CSR) front, Mapletree continues to align business performance with our CSR efforts. For every S$500 million of PATMI, or part thereof, S$1 million will be allocated annually, to fund CSR commitments and programmes. In FY18/19, we initiated several key projects and disbursed S$2.6 million.

With arts as one of the cornerstones advocated by Mapletree, the Group continued its support for local non-profit arts company,

Under the Mapletree-TENG Academy Scholarship, the scholars jointly performed with The TENG Ensemble at the amphitheatre in VivoCity, Singapore

The TENG Company, and raised the sponsorship amount from S$90,000 to S$165,000 in FY18/19.

Apart from sponsoring two community concerts at the VivoCity Amphitheatre, in Singapore, in September 2018 and February 2019, Mapletree also awarded four students with a two-year scholarship. Under the tutelage of established music educators and practitioners from The TENG Academy, the inaugural Mapletree-TENG Academy scholars have progressed well and shared the stage with The TENG Ensemble at one of its public performances.

To preserve Singapore's rich maritime heritage, Mapletree restored a historic fire engine that was built in 1938 by Merryweather & Sons (London) before its acquisition by the Singapore Harbour Board (the precursor to the Port of Singapore Authority) in 1946. The refurbished fire engine now breathes a new lease of life as an art piece at our flagship development, Mapletree Business City (MBC).

As part of the unveiling ceremony of the grand old dame, Mapletree hosted more than 70 preschoolers to an arts and history session at MBC in July 2018. Four months later, Mapletree hosted Singapore's Olympic champion swimmer Joseph Schooling. The refurbished fire engine holds special significance for Mr Schooling, as his late granduncle, Mr Lloyd Valberg was the fire engine's last fire chief.

Mr Schooling also met with more than 60 youths comprising Mapletree's youth beneficiaries as well as children of Mapletree's tenants and staff, for a motivational dialogue. He shared how he had persevered through multiple setbacks to achieve his Olympic dream.

Under the multi-faceted Mapletree Real Estate Programme at the Singapore Management University (SMU) launched in January 2018, I am pleased to note that two events which served as platforms for industry professionals to share insights were successfully organised. Held in November 2018, the Mapletree Annual Lecture attracted more than 250 participants, while the Mapletree

Real Estate Forum saw more than 110 SMU students, industry professionals and members of the public in attendance in February 2019.

ENCOURAGING THE SPIRIT OF VOLUNTEERISM

Since the launch of Mapletree Staff CSR Programme in 2014, the number of applications among employees to lead ground-up CSR initiatives has grown.

In FY18/19, a total of 14 teams were awarded seed funding of S$5,000 each. They included teams from Australia, Greater China (Beijing, Chongqing, Foshan, Hong Kong SAR and Shanghai), Japan, Singapore (Mapletree North Asia Commercial Trust[6] and Group Corporate Services), the UK, the US (Chicago and New York) and Vietnam (Hanoi and HCMC).

GREEN PRACTICES

Taking an even more proactive approach to be an environmentally responsible company that adopts green practices in our daily operations, Mapletree in FY18/19 supported the transformative plan of the United Nations 2030 Agenda for Sustainable Development, and identified seven goals most relevant to our business.

Mapletree's stance on tackling core sustainability issues serves as a roadmap to provide a richer meaning to our business and ensures that we take the necessary steps to minimise our environmental impact. The Group's commitment to support and contribute to these goals are detailed in our third Sustainability Report. You may read about our green initiatives from Pages 96 to 120.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I extend my heartfelt appreciation to Group Chief Executive Officer, Mr Hiew Yoon Khong, the Management and all employees for the steadfast commitment and support to propel Mapletree further.

I would also like to express my gratitude to my fellow Board Members and the respective Boards of our REITs' management companies for their leadership, counsel and helpful insight. At the same time, I extend a warm welcome to Mr Lim Hng Kiang, who joined the Board and Mapletree's Investment Committee in October 2018. Mr Lim brings with him more than 26 years of experience in the Singapore Government, having held Cabinet posts in National Development, Health, Foreign Affairs, Finance and the Prime Minister's Office.

Our continued success is built upon our firm foundation of leveraging our core capabilities and offering our tenants with a sound business proposition. This long-term approach has brought Mapletree to great achievements for close to two decades. As we embark on the third Five-Year Plan, Mapletree will embrace the global market environment that is poised to be more challenging than before. I am confident that the Group will continue to streamline its portfolio, build meaningful relationships with its stakeholders and deepen its regional presence in the coming years.

Edmund Cheng
Chairman

Mapletree hosted Joseph Schooling at MBC, where he visited the refurbished Merryweather Fire Engine and gave a motivational dialogue to 60 youths

1 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.

2 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.

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 2014 as starting base.

4 Includes REIT management fees.

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

6 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

INTERVIEW WITH THE GROUP CEO

Mr Hiew Yoon Khong

Key Performance Indicators (KPIs)	Targets	FY18/19 Final Results
Returns		
Average ROIE[3]	10% – 15%	11.0%
NAV CAGR[4]	10% – 15%	13.1%
Earnings		
EBIT + SOA[5]	S$1.6 billion – S$2.3 billion	S$2.1 billion
Fee Income[6] (cumulative)	S$350 million – S$500 million (>S$1.5 billion)	S$451 million (S$1.54 billion)
Scale		
AUM	S$40 billion – S$50 billion	S$55.7 billion
AUM Ratio	>3.0x	2.1x

1) Mapletree achieved another year of solid performance with PATMI[1] at S$2,161.1 million in this financial year. What were the key drivers of this performance?

Financial Year 18/19 (FY18/19) was a successful year for Mapletree by every performance measure that we tracked. We executed all the key elements of our business model and realised our business objectives. Coupled with the timely and disciplined recycling of capital and syndication of capital management platforms, the Group attained growing and sustainable income to continue scaling our business.

Our profit after tax and minority interests (PATMI)[1] grew 10.3% year-on-year (y-o-y) to S$2,161.1 million, the highest ever achieved since we commenced our operations in year 2000. The return on equity (ROE)[2] achieved for FY18/19 was 15.3%. The profitability of the Group was underpinned by stronger recurring earnings of S$770.8 million, a y-o-y growth of 11.5% as compared to FY17/18. Supported by strong leasing income from investment properties and fees from our fund management business, the Group's revenue was S$3,948.1 million for FY18/19.

During the year, to lift our recurring and fee income[6], the Group assembled a significant portfolio of high-quality logistics assets in the United States (US) and Europe to syndicate a new private fund, Mapletree US & EU Logistics Private Trust (MUSEL), with S$5.8 billion of the assets in March 2019.

One of the Group's managed private funds, MJOF, which invests in a diverse portfolio of income-producing office spaces in Japan, fully exited its investment and generated for its investors a net internal rate of return (IRR) of 27.1%[7] and achieved more than 1.8 times multiple, significantly above its targeted IRR of 11.0% per annum, attesting to the ability of the Group to deliver good returns to our investors.

In May 2019, Mapletree completed the divestment of Mapletree Bay Point, a Grade A office development in Hong Kong SAR for approximately S$1.6 billion. It was an opportunity to capitalise on the attractive capital value of the building and recycle the proceeds for other growth opportunities.

In February 2019, Mapletree Industrial Trust (MIT) acquired 18 Tai Seng from Mapletree Investments at a transacted price of S$268.3 million.

In November 2018, the Group's managed private funds, Mapletree India China Fund (MIC Fund) and Mapletree China Opportunity Fund II (MCOF II), completed the divestment of Mapletree Business City Shanghai and VivoCity Shanghai, an award-winning mixed-use complex with seven blocks of Grade A office buildings and a five-storey shopping mall in Shanghai, China.

Mapletree made further inroads into the student accommodation sector with the acquisition of a 244-bed property in Norwich, the United Kingdom (UK) in November 2018.

In June 2018, Mapletree Logistics Trust (MLT) co-invested into 11 logistics properties in China, developed by Mapletree Investments for RMB1 billion (~S$202.1 million) via a 50:50 joint venture with the latter.

MJLD, which focuses on developing logistics assets in Japan, successfully divested three assets to third-party purchasers as it approaches the end of the fund's life.

Our recycling initiatives generated gross proceeds of about S$2.3 billion which will be redeployed to fund new developments and acquisitions. The Group delivered to its shareholder a return on invested equity (ROIE)[3] of 10.4% in FY18/19, higher than the 8.7% achieved in FY17/18.

Other key acquisitions included 67 Albert Avenue, a 15-storey office building with Grade A specifications in Chatswood, Sydney, Australia as well as an operational IT office park, Global Infocity Park Chennai, with net lettable area (NLA) totalling 252,403 square metres (sqm) in Chennai, India.

Global Infocity Park Chennai, India

Coupled with the acquisition of the portfolio of logistics and distribution assets in the US and Europe, Mapletree's total owned and managed assets under management (AUM) grew 20.3% y-o-y to S$55.7 billion.

2) You mentioned about growing Mapletree's recurring income while ensuring sustainable growth, how does the Group execute this?

The Group has consistently sought to increase our recurring income sources through integrating our roles as a real estate developer, investor, capital and property manager. From the introduction of our first real estate investment trust (REIT), MLT in 2005, we have since launched three other Singapore-listed REITs – MIT, Mapletree Commercial Trust (MCT) and Mapletree North Asia Commercial Trust (MNACT)[8] – with a combined market capitalisation of S$19.2 billion as at 31 March 2019.

The Group's four Singapore-listed REITs have achieved a consistent annual distribution per unit yield of between 4.8% and 5.8% in FY18/19 and total return since their initial public offering ranged from 14.4% to 26.1% per annum.

Mapletree's six private funds – MUSEL, Mapletree Global Student Accommodation Private Trust (MGSA), MJLD, MCOF II, MIC Fund, CIMB-Mapletree Real Estate Fund 1 (CMREF1) had an AUM of S$10.3 billion. Combined with the four listed REITs, the total third-party AUM was S$37.7 billion. Since FY14/15, Mapletree has increased its third-party AUM by S$17.2 billion.

3) The Group made significant acquisitions in the logistics space this year. Could you share the impetus behind this decision?

Mapletree entered into the logistics market in the US and Europe due to the countries' strong macroeconomic fundamentals and higher consumer spending. These markets are considered to be one of the world's largest e-commerce sectors. The rapid expansion of e-commerce has resulted in an increased demand for logistics warehouse space. On the back of these compelling growth drivers, this has resulted in a surge in demand by institutional investors, moving this asset class to become a core investable real estate asset class.

In the US, more than 70% (in terms of NLA) of Mapletree's logistics portfolio are located in the top five US states in terms of gross domestic product and population, such as California, Texas and Florida. In Europe, the majority of the properties are located in Poland, which is the largest logistics market in Central and Eastern Europe. Furthermore, the properties are strategically located in established distribution centres within major logistics markets and enjoy excellent access to key transportation nodes including major highways, ports and airports.

We are also optimistic about the China logistics market. Home to the world's largest population and e-commerce market, e-commerce retail sales in China are projected to reach RMB10 trillion (~S$2 trillion) by 2020. In FY18/19, the Group continued expanding its logistics development footprint in China, by signing 25 investment agreements with a total value of S$1,547 million and acquired 18 development sites for S$976 million.

Today, Mapletree has an established global logistics footprint amounting to 31% of AUM. Moving forward, the Group will continue its momentum developing more logistics assets in China while acquiring more of such assets across the rest of the world.

4) FY18/19 also marked the completion of Mapletree's second Five-Year Plan. Can you provide an overview of the key milestones and events of Mapletree's growth over the past five years?

Diversification into New Markets

In 2014, we embarked on our second Five-Year Plan with the strategy to venture beyond Asia into new markets such as Australia, Europe and the US as well as into new real estate sectors. These markets present attractive investment opportunities for us as they are scalable, regulated and transparent.

The Group acquired its first Grade A office building, 144 Montague Road, in South Brisbane, Australia for A$93 million (~S$89.2 million) in November 2014. Since then, Mapletree has grown the number of commercial assets to nine in key cities including Adelaide, Brisbane, Melbourne, Perth and Sydney with AUM of more than A$1 billion (~S$1 billion).

In May 2015, we made our maiden investment with the acquisition of an office building in West London. We have since grown our portfolio with acquisitions in other core UK regional cities such as Manchester, Bristol and Aberdeen, as well as a 79-hectare business park, Green Park, which is located in Reading.

Capitalising on the relatively recession-proof and anti-cyclical nature of the student accommodation sector, in 2016, the Group marked its foray with the acquisition of two portfolios in the UK and the US. To date, Mapletree's total student accommodation portfolio (including those held under MGSA and Mapletree's balance sheet) has 48 assets with nearly 21,000 beds located across 33 cities in the UK, the US and Canada.

Thereafter, Mapletree further expanded its presence in the US with the acquisition of a portfolio of 14 data centres at a purchase consideration of US$750 million (~S$1,017 million) with MIT in December 2017. The portfolio is anchored by long leases with high-quality tenants from a diverse range of industries. In FY18/19, the Group assembled a portfolio of 283 logistics buildings through a series of acquisitions from three vendors, out of which S$5.8 billion of these assets were syndicated into MUSEL in March 2019. Despite the competitive fundraising environment, the trust attracted strong investor support from a diversified group of investors.

These new markets – Australia, Europe and the US, now comprise 29% of Mapletree's total AUM of S$16.1 billion as at 31 March 2019. To ensure that we continue growing our fee income[6], the Group will explore forming new capital management platforms with these acquired assets.

Capital management activities

Apart from our geographical expansion, our business strategy focused on maximising efficiencies through capital management and redeployment of funds to ensure high recurring income and mitigate earnings volatility.

As at 31 March 2019, Mapletree's AUM stood at S$55.7 billion, of which 67.7% were 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 and structuring appropriate products for its investors and partners. In tandem with this, the Group's fee income[6] increased to S$451 million in FY18/19 from S$241 million in FY14/15 at the start of our second Five-Year Plan.

Private funds that were syndicated in the last five years included two Japan-focused private funds, MJOF and MJLD, with a total fund commitment of JPY116 billion (~S$1.41 billion).

In addition, we syndicated MGSA with a total AUM of S$2 billion spread across the UK and the US. MIC Fund, which was syndicated in August 2008, has two remaining assets in its portfolio which will be divested in 2019.

Aside from the assets that we recycled in the last financial year, MCT also acquired the office and business park components of Mapletree Business City I from Mapletree Investments in August 2016 for S$1.78 billion. In October 2017, MLT acquired the logistics property developed in Hong Kong SAR, Mapletree Logistics Hub Tsing Yi, from Mapletree Investments for HK$4.8 billion (~S$829.2 million). In the last five years, we monetised S$10 billion[9] worth of assets allowing us to fuel further expansion as required by our business model. These transactions allowed our managed REITs to invest in high quality properties developed by the Group.

These strategies have proven effective as the Group achieved five out of six targets set. We had aimed for an AUM ratio (Managed vs Owned) to be more than three times, however, due to a spike in active investment activities over the last two years, we closed the financial year with a ratio of 2.1 times. The Group will look into syndication of more funds to improve this ratio in the third Five-Year Plan.

Development projects
Some notable development projects included the completion of our flagship product, Mapletree Business City II, in April 2016. The property has now reached 99% committed occupancy as at 31 March 2019.

Oakwood Residence Saigon in HCMC, Vietnam

In Vietnam, the Group developed Saigon South Place, a 4.4-hectare mixed-use development in District 7 of Ho Chi Minh City (HCMC). This project comprises Mapletree Business Centre, SC VivoCity, Oakwood Residence Saigon, RichLane Residences as well as the upcoming V Plaza, which will be completed in 2023.

In China, we also developed a total of 26 logistics properties in major cities such as Shanghai, Hangzhou and Chongqing.

5) Could you share more about the new initiatives in Mapletree's third Five-Year Plan?

Our third Five-Year Plan will be focused on proactive, disciplined asset and capital management. The Group will execute the key elements of our business model well to ensure a continued sustainable stream of income and high profitability.

For investments, we will look into acquiring assets to seed new private equity funds in the lodging and commercial sectors in Australia. In addition, we will continue to acquire student housing assets in the UK, the US and explore Australia, which may be packaged with MGSA. We will also deepen our expansion in sectors such as multi-family assets in the US.

Concurrently, we will continue to invest in existing markets within Asia, including China, Hong Kong SAR, India and Japan. For those funds which we have executed well and achieved high returns for our investors, we will continue to work on syndicating a second edition of these funds. For example, in the commercial and logistics sectors in Japan.

We will continue to sponsor REITs and funds investment vehicles to cater to different investors' investment preferences and risk appetites such as launching private funds in the commercial and logistics sectors.

In the areas of development, the Group will maintain its momentum in the development of China logistics and will look to add more than 30 properties to our portfolio in the next two years. Japan remains a very attractive market for logistics development due to strong market absorption and favourable market fundamentals. In addition, we have several pockets of land banks in our logistics portfolio in the US and Europe, which we will further develop to extract value. In the UK, we have substantial developable land in Green Park, which we will build out over the next few years.

We have since embarked on the development of two student accommodation properties in the UK and the US which will be completed in Q4 2019 and in Q2 2020 respectively, producing a total of 965 beds. We will look for more development opportunities for student housing.

Through these initiatives, we aim to sustain the Group's returns by achieving 10% to 15% average ROE[2] and ROIE[3], double the cash flows, and increase our AUM target to between S$80 billion and S$90 billion.

We are optimistic that with the good execution of key elements of our business model, coupled with the diversity of our onshore talents, we are in good stead to be one of the top five real estate companies in Asia in terms of profitability.

We believe that our business model has evolved to a point where we are able to deliver sustained and elevated level of profits in the next few years.

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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 ROIE 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 at 31 March 2014 as starting base.

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

6 Includes REIT management fees.

7 After expenses, taxes and base fee but before carried interest. Returns subject to post-closing reconciliation adjustments in July 2019.

8 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

9 Measured on Mapletree Investment's balance sheet perspective (excluding REITs and private funds).

BOARD OF DIRECTORS

Mapletree adopts the principle that an effective Board of Directors (Board) 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):
Elaine Teo
Hiew Yoon Khong
Edmund Cheng
Lim Hng Kiang

From left to right (standing):
Paul Ma Kah Woh
Cheah Kim Teck
David Christopher Ryan
Wong Meng Meng
Tsang Yam Pui
Samuel N. Tsien
Lee Chong Kwee

BOARD OF DIRECTORS

EDMUND CHENG, 66
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, as well as the Chairman of the Civil Aviation Authority of Singapore and the Singapore Art Museum.

Mr Cheng has been actively engaged in the service of public and private sectors. He has chaired companies and statutory boards governing airport cargo gateway and food solutions, civil aviation, arts and design, as well as national tourism. He was also a director of Singapore Airlines Limited and Urban Redevelopment Authority, and a past President of the Real Estate Developers' Association of Singapore (REDAS).

Mr Cheng was awarded the Meritorious Service Medal, Public Service Star (Bar) and Public Service Star (BBM). He also received the Outstanding Contribution to Tourism Award from the Singapore Government. He was conferred "Officier de l'Ordre des Arts et des Lettres" by the Government of the Republic of France.

LEE CHONG KWEE, 62
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, 71
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 North Asia Commercial Trust Management Ltd, the manager of Mapletree North Asia Commercial Trust[1].

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 advisory board of the Asian Civilisations Museum.

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, 72
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 currently a Non-Executive Director of NWS Holdings Limited and a Non-Executive Director of Bolonia Company Limited. He was formerly the Chief Executive Officer and Executive Director of NWS Holdings Limited from June 2004 until his retirement on 31 December 2018.

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, 70
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 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 Committee of the School of Humanities & Social Sciences, Temasek Polytechnic. He is also a member of the Quality Assurance Framework for Universities (QAFU) Panel.

DAVID CHRISTOPHER RYAN, 49
DIRECTOR

Mr David Christopher Ryan is a member of the MIPL Board and a member of its Investment Committee. Mr Ryan also serves as Chairman of Mapletree Oakwood Holdings Pte Ltd, a member of the board of the Jackson Institute for Global Affairs at Yale University, and as an independent director for the Federation of International Lacrosse. Mr Ryan is also a Non-Executive Director of ADT Security Services Corporation.

Mr Ryan was the 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 United States in end 2013.

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.

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

BOARD OF DIRECTORS

LIM HNG KIANG, 65
DIRECTOR

Mr Lim Hng Kiang is a member of the MIPL Board and its Investment Committee.

He is currently the Special Advisor to Singapore's Ministry of Trade and Industry. He is also the Deputy Chairman of the Monetary Authority of Singapore and a Director of GIC.

Mr Lim was Minister for Trade and Industry from 2004 until 2015, when the Ministry was carved into two portfolios. He was then appointed Minister for Trade and Industry (Trade) until he stepped down in May 2018. In his current appointment, Mr Lim provides advice on the Ministry's economic strategies to grow Singapore's capabilities and international economic space. He has held Cabinet posts in National Development, Health, Foreign Affairs, Finance and the Prime Minister's Office. Before entering politics in 1991, he was Deputy Secretary in the Ministry of National Development. Mr Lim graduated from Cambridge University with First Class Honours (Distinction) in Engineering. He later earned a Masters in Public Administration from Harvard University.

SAMUEL N. TSIEN, 64
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 the Vice Chairman of the Association of Banks in Singapore and The Institute of Banking and Finance, a member of the Monetary Authority of Singapore (MAS) Financial Centre Advisory Panel and a member of the MAS Payments Council.

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 Asia Commercial and Consumer Banking Group Executive of Bank of America Corporation during 1996 to 2006.

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, 52
DIRECTOR

Ms Elaine Teo is a member of the MIPL Board.

She is currently a Non-Executive and Independent Director of Olam International Limited and G.K. Goh Holdings Limited as well as a member on the International Advisory Panel of CIMB Group Holdings Berhad (a company listed on Bursa Malaysia). 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 Inc. and Managing Director of Capital International Inc., Asia. Ms Teo was previously a Senior Advisor and Partner at the Holdingham Group Ltd.

Ms Teo is the Chairman of The TENG Ensemble Ltd, an arts company focused on the development of a Singaporean musical identity. In addition, she 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, as well as a former 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, 67
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 Chief Executive Officer 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, 57
EXECUTIVE 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 North Asia 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$55.7 billion.

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

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, 57
EXECUTIVE 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 North Asia Commercial Trust Management Ltd[1].

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$55.7 billion.

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

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, 60
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 lodging 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 North Asia Commercial Trust Management Ltd[1]. 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.

Mr Chua holds a Master of Business Administration from the University of Strathclyde and graduated with a Bachelor of Regional and Town Planning (1st Class Honours) from the University of Queensland in 1982.

WONG MUN HOONG, 53
GROUP CHIEF FINANCIAL OFFICER

Mr Wong oversees the Finance, Tax, Treasury and Private Funds Management 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 Singapore Cruise Centre Pte Ltd. In addition, he serves as the Chairman of the SMU Real Estate Programme's Advisory Board.

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.

Mr Wong graduated with a Bachelor of Accountancy (Honours) degree from the National University of Singapore in 1990, and holds the professional designation of Chartered Financial Analyst from the CFA Institute of the United States. He attended the Advanced Management Programme at INSEAD Business School.

WAN KWONG WENG, 47

GROUP CHIEF CORPORATE OFFICER

Mr Wan is responsible for all of legal, compliance, corporate secretarial, human resource as well as corporate communications and administration matters across all business units and countries. He is also the Joint Company Secretary of MIPL and the four Mapletree REIT Managers.

Prior to joining Mapletree as General Counsel 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 & McKenzie 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. Mr Wan is called to the Singapore Bar, where he was awarded the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). He was conferred the Public Service Medal (PBM) in 2012 and Public Service Star (BBM) in 2017 for his contributions to Central Singapore CDC.

TAN WEE SENG, 53

HEAD, GROUP DEVELOPMENT MANAGEMENT

Mr Tan heads the 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 and project/construction management experience in the industrial, logistics, pharmaceutical, telecommunications, institutional, retail and commercial sectors across different geographies.

NEO SING HWEE, 47

HEAD, OPERATIONS SYSTEM & CONTROL*

Mr Neo, as Head, Operations System & Control, is responsible for the business processes and control functions, as well as the information systems and technology of the Group. He also oversees the Internal Audit, Risk Management and Information Systems & Technology departments, as well as takes ownership of the Group's Delegation of Authority (DOA) and Procurement Policy.

Mr Neo has more than 20 years of experience in providing risk management, performance improvement, internal controls and business advisory services to clients in various industries, including organisations in the real estate sector. Being a thought leader and a recognised expert in this field, he previously sat on the Ernst & Young (EY) ASEAN Partner Governance Council and led the Advisory (Risk) Internal Audit Practice in EY Asia Pacific, ASEAN and Singapore, covering 17 countries, 30 partners and 700 professionals.

Before joining EY, he had spent many years in risk consulting with PricewaterhouseCoopers and Arthur Andersen.

* Mr Neo joined Mapletree on 6 May 2019.

GROUP SENIOR MANAGEMENT

AMY NG LEE HOON, 52

REGIONAL CHIEF EXECUTIVE OFFICER, GROUP RETAIL AND SINGAPORE COMMERCIAL

Ms Ng, as Regional Chief Executive Officer, Group Retail and Singapore Commercial, oversees the Group's Retail portfolio in the region and the Commercial portfolio in Singapore. 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 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.

MICHAEL SMITH, 50

REGIONAL CHIEF EXECUTIVE OFFICER, EUROPE AND USA

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

Prior to joining Mapletree, Mr Smith was a partner at Goldman Sachs, heading the Southeast 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 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.

QUEK KWANG MENG, 53

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.

GOH CHYE BOON, 49

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, Logistics Development, China, where he expanded the Group's investment portfolio beyond Central and Western China to Northern and Southern China.

His 24 years of wide-ranging work experience included stints at the Ministry of Finance, Monetary Authority of Singapore and Ministry of Trade and Industry. In addition, he was the former Chief Executive Officer 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 (GIC) Pte Ltd.

WENDY KOH MUI AI, 47

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 Five-Year Plan.

Prior to joining Mapletree, Ms Koh was Co-head, Asia-Pacific Property Research, at Citi Investment Research. With 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.

GROUP SENIOR MANAGEMENT

LEE ARK BOON, 46
CHIEF EXECUTIVE OFFICER, LOGISTICS DEVELOPMENT, CHINA

Mr Lee, as Chief Executive Officer, Logistics Development, China, is responsible for both new and existing logistics development business in China.

Prior to joining Mapletree, Mr Lee was the Chief Executive Officer of International Enterprise Singapore and preceding that, he was the Deputy Secretary (Trade) at the Ministry of Trade and Industry, responsible for Singapore's trade, investment and external economic relations. He served 20 years in the public sector at the Ministry of Manpower, National Security Coordination Secretariat (Prime Minister's Office), Ministry of Transport, Public Service Division (Prime Minister's Office) and Ministry of Foreign Affairs.

NG KIAT, 49
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 Southeast Asia and Europe.

THAM KUO WEI, 50
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, 46
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, 49
CHIEF EXECUTIVE OFFICER, MAPLETREE NORTH ASIA COMMERCIAL TRUST MANAGEMENT LTD

Ms Chow is the Chief Executive Officer and an Executive Director of Mapletree North Asia Commercial Trust Management Ltd[1]. 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, and later became the Senior Vice President and Head of Investment for Mapletree Logistics Trust Management Ltd.

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

DIVERSE REACH DIVERSE VALUE

Mapletree owns and manages real estate assets across 12 markets. The Group grew its total assets under management (AUM) by 20.3% to S$55.7 billion in FY18/19 from a year ago. Asia accounted for 71% of the Group's AUM while our expansion into the developed markets in Australia, Europe, the United Kingdom (UK), and the United States (US) comprised S$16.1 billion or 29% of our AUM. The Group's four real estate investment trusts and six private funds have a combined AUM of over S$37.7 billion.

CORE ASIA AUM	(S$ MILLION)
Singapore	17,403.2
Hong Kong SAR	9,124.8
China	5,882.5
Japan	3,769.3
Vietnam	1,476.4
India	779.4
Malaysia	704.3
South Korea	460.2

71%

NEW MARKETS AUM	(S$ MILLION)
The US	9,750.2
The UK	2,988.2
Europe	1,847.9
Australia	1,538.2

29%

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

Artist's impression of 400 and 450 Longwater Avenue, Green Park, the UK

HIGHLIGHTS OF THE YEAR

APRIL 2018

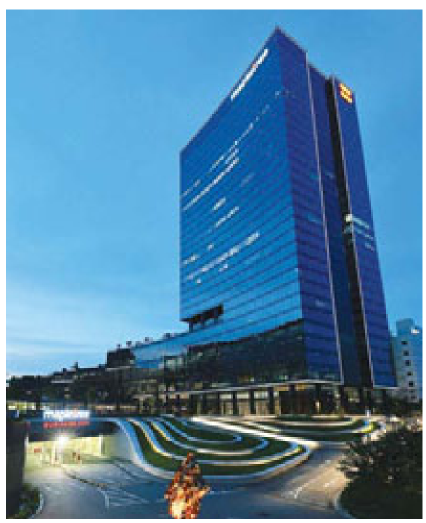
Collaboration to expand the logistics network in China between Mapletree and SF Express

Mapletree and leading Chinese express delivery service provider SF Express (SF) signed an agreement to expand cooperation in China and overseas. The agreement deepened the companies' strong relationship and saw Mapletree leverage its global resources and networks to support SF's expansion plans.

Mapletree made its maiden logistics acquisition in the United States (US), with an investment of approximately US$2.2 billion (~S$2.98 billion) for over 160 high-quality assets in 20 key logistics markets.

Employees in Ho Chi Minh City (HCMC), Vietnam, continued to give back to the community as part of Mapletree's Staff Corporate Social Responsibility (CSR) programme. Employees interacted and played games with underprivileged children in SOS Children's Village in Go Vap District. Together with Vietsin Commercial Complex Development Joint Stock Company, Mapletree employees handed out health insurance cards to the underprivileged in Bình Chánh and Củ Chi districts in April and June 2018 respectively.

MAY 2018



MBC II was awarded the BCA Universal Design Mark (Platinum) in 2018

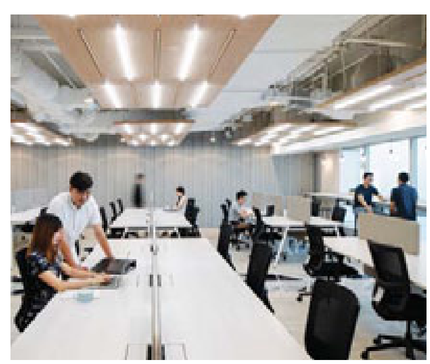
Mapletree Business City II (MBC II) clinched the top BCA Universal Design Mark for its lush landscape and connectivity. The flagship development in Alexandra Precinct was one of four projects to be presented the Platinum award.

Mapletree North Asia Commercial Trust (MNACT)[1] completed the acquisition of six freehold office properties located in Tokyo, Chiba and Yokohama on 25 May 2018[2]. Pursuant to a private placement launched in April 2018, 311,602,000 new units were issued on 8 May 2018 at a unit price of S$1.06 to raise approximately S$330.3 million to part-finance the acquisition.

Mapletree announced that it will participate in the "Future Park" initiative to work with pioneering and innovative enterprises in China. Introduced by Cainiao, the logistics arm of Alibaba, the initiative seeks to tap on technology to boost China's logistics industry.

Mapletree entered into a forward funding acquisition project to develop a 452-bed student housing asset, Cottages@Westwood, in the United Kingdom (UK). Completion is estimated to be in end-2019. It will be the nearest private purpose-built student accommodation to the University of Warwick.

Mapletree entered the flexible workspace market with CoQoons Coworking. Occupying over 1,000 square metres (sqm) at HarbourFront Tower Two in Singapore, CoQoons Coworking offers various co-working arrangements for its members and HarbourFront tenants.



CoQoons Coworking at HarbourFront Tower Two, Singapore

JUNE 2018

Mapletree Logistics Trust (MLT) co-invested a 50% stake in 11 China logistics properties with its Sponsor, Mapletree Investments, at an aggregate agreed property value of RMB2,846.8 million (~S$575.3 million). The acquisition enhanced MLT's portfolio quality and doubled its net lettable area (NLA) in China to 843,150 sqm. The assets are located in Wuxi, Changshu, Zhenjiang, Nantong, Hangzhou, Jiaxing, Xi'an, Changsha, Wuhan, Nanchang and Tianjin.

MLT co-invested a 50% interest in 11 logistics properties in China

Mapletree entered into a joint venture for the development of a 513-bed student housing asset in Philadelphia, Pennsylvania, the US. Strategically located within the University of Pennsylvania campus and opposite the Wharton School of Business, the property is under construction, with partial completion expected in mid-2020.

Mapletree Industrial Trust (MIT) acquired 7 Tai Seng Drive for S$68 million. With a gross floor area (GFA) of about 23,800 sqm, the seven-storey property will be upgraded to a data centre and fully leased to Equinix Singapore for an initial term of 25 years. This builds on Equinix's current presence at MIT's properties, 26A Ayer Rajah Crescent in Singapore, and 180 Peachtree, Atlanta, in the US. The upgrading works are slated for completion in the second half of 2019. The total project cost is expected to be S$95 million[3].

VivoCity, Singapore launched its new extension at Basement 1. Spanning approximately 3,000 sqm, it houses 10 brands across fashion, athleisure and lifestyle categories. VivoCity also built a new escalator connecting Basement 2 to Level 1 through the new Basement 1 extension. This improves vertical connectivity and mobility within the mall, and eases general traffic circulation from HarbourFront MRT station into the mall.

JULY 2018

Following the successful inaugural "Home & Away with Mapletree" event in July 2017, Mapletree repeated the three-day event at VivoCity as part of CSR efforts to support education. The event also expanded to Jaya Shopping Centre in Selangor, Malaysia, and Festival Walk in Kowloon Tong, Hong Kong SAR. More than 1,000 students redeemed their jackets.

Mapletree unveiled a restored Merryweather Pump Escape Fire Engine that was built in 1938 by Merryweather & Sons (London). The public art piece in MBC II brings art and history to the community. Mapletree later hosted Olympic champion swimmer Joseph Schooling, as his late granduncle, Mr Lloyd Valberg, was the fire engine's last fire chief.

Mapletree Sunview 1, MIT's third BTS data centre development in Singapore

MIT completed its third Build-to-Suit (BTS) data centre development, Mapletree Sunview 1, in Singapore. With a GFA of about 22,500 sqm, the six-storey purpose-built data centre at Sunview Drive is fully leased to an established data centre operator for an initial lease term of more than 10 years with staggered rental escalations and renewal options.

Joseph Schooling with the refurbished 1938 Merryweather Pump Escape Fire Engine at MBC II, Singapore

HIGHLIGHTS OF THE YEAR

AUGUST 2018

Zulkifle Mahmod activated his Sonic Pathway art installation at the inaugural event of the Mapletree-NTU CCA Singapore Public Art Education Programme at 80 MBC, Singapore

Mapletree, together with NTU Centre for Contemporary Art Singapore (NTU CCA Singapore), presented the inaugural event of the Mapletree-NTU CCA Singapore Public Art Education Programme as an after-work session for MBC tenants and the public. Acclaimed local artist Zulkifle Mahmod invited the audience to experience a multi-layered sound composition, which was created to activate his art installation Sonic Pathway, one of the artworks on the MBC Public Art Trail.

SEPTEMBER 2018

VivoCity, Singapore partnered with The Walt Disney Company to present the "VivoCity x Disney Tsum Tsum Mid-Autumn: A Celebration of Love" campaign, which featured more than 2,000 lanterns at the VivoCity Sky Park. The event was one of VivoCity's fun and shopper-centric events to drive footfall.

MLT acquired five modern ramp-up logistics properties in Singapore, at Pandan Avenue, Tanjong Penjuru, Fishery Port Road and Toh Guan Road East. The acquisition is expected to generate an initial net property income yield of approximately 6.2% based on the purchase price of S$775.9 million[4].

Mapletree celebrated the Mid-Autumn Festival with a concert by The TENG Ensemble at VivoCity for an audience of over 800 people. A CSR initiative, the concert showcased Singapore's arts talents. Four youth performers were also awarded the inaugural Mapletree-TENG Academy Scholarship, which supports young talents pursuing Chinese music.

"Once Upon a Full Moon" event by The TENG Ensemble at VivoCity, Singapore

OCTOBER 2018

Mapletree acquired a 1.5 million sqm logistics portfolio in Europe and the US

Mapletree acquired a 1.5 million sqm logistics portfolio for US$1.1 billion (~S$1.49 billion) as part of the Group's strategy to increase the global footprint as a logistics real estate provider. Strategically located in established distribution centres in Chicago, Dallas and Seattle in the US, as well as France, Germany and Poland, these properties enjoy excellent access to key transportation nodes.

Mapletree signed an agreement with a US-listed logistics service provider for the lease of a 35,000 sqm BTS warehouse at Mapletree Changsha Airport Logistics Park in China. Mapletree had previously also provided a customised warehouse for the same tenant in Jiaxing, China.

Mapletree rolled out a company-wide wellness programme, Wellness@Mapletree. Besides activities such as circuit training sessions, mass walks and health workshops, there is a mobile application where staff can access information easily and register for upcoming events.

To bolster support for the arts and education, Mapletree sponsored the second edition of the nationwide School of the Arts Primary 6 Art Competition in Singapore.

Mapletree launched The Mapletree Challenge with the Singapore Institute of Technology (SIT) to help SIT students refine their job interview and presentation skills, and to provide budding entrepreneurs with a test bed to pitch their entrepreneurial ideas. With a funding of S$200,000, the challenge comprises Job Interview and Presentation Masterclasses, the Mapletree Innovation and Entrepreneurship Forum, as well as Mentoring Masterclasses.

The Mapletree Challenge was launched by Mapletree and SIT

NOVEMBER 2018

Opening ceremony of MOLP Phase 1 redevelopment in Shanghai, China

MLT celebrated the successful completion of its redevelopment of Mapletree Ouluo Logistics Park (MOLP) Phase 1 in Pudong New District, Shanghai, China. Mr Chan Chun Sing, Minister for Trade and Industry of Singapore, together with Mr Stanley Loh Ka Leung, Ambassador to the People's Republic of China, Mr Lee Chong Kwee, Chairman of Mapletree Logistics Trust Management Ltd, and Mr Lee Ark Boon, Mapletree Chief Executive Officer for China Logistics Development, graced the occasion and unveiled a plaque. Phase 1 achieved full occupancy immediately upon completion.

An inaugural lecture on "How to Grow Singapore into a Premier Financial Centre for Global Real Estate Investments" was held for an audience of over 250 people. The Mapletree Annual Lecture was a key milestone of the Mapletree Real Estate Programme at Singapore Management University (SMU), a multi-faceted partnership that provides a platform for students, experts and industry practitioners to network and share knowledge.

Mapletree organised its second edition of the Mapletree Youth Futsal Camp at Mapletree Business City (MBC) for close to 70 youths aged between 10 and 18 years old. The extended two-day camp also saw an introduction of three age group categories. The participants were youths from Mapletree's beneficiary, Beyond Social Services, children of employees and tenants, as well as students from two South Zone secondary schools.

Second edition of the Mapletree Youth Futsal Camp at MBC, Singapore

To kick off Festival Walk's 20th anniversary celebrations, the "Merry-Go-20th Christmas Lighting Ceremony" was held and graced by Mr Paul Ma, Chairman of Mapletree North Asia Commercial Trust Management Ltd (MNACTM)[1], Mr Michael Kok, Board of Director of MNACTM, Ms Sandra Cheng, General Manager of Festival Walk, and celebrity, Mr Sean Lau, from Hong Kong SAR.

Coles Brisbane Distribution Centre in Brisbane, was acquired by MLT for A$105 million (~S$100.7 million) and is fully leased to Coles Supermarkets, the second-largest supermarket chain in Australia. The purpose-built asset has good logistics warehouse specifications including cross-dock features, floor-to-ceiling height of up to 11 metres, 91 loading docks and drive-around access to facilitate high-flow logistics operations.

MLT acquired Mapletree Logistics Centre – Wonsam 1, in Gyeonggi-do province, South Korea, for KRW37.85 billion (~S$45.4 million). The asset comprises two blocks of multi-tenanted dry warehouse with a total GFA of about 30,780 sqm and land area of 31,055 sqm.

Mapletree signed an agreement to acquire 67 Albert Avenue, a 15-storey office building with Grade A specifications in Australia. Strategically located in Chatswood, a major North Shore office market in Sydney, the asset with a total NLA of 14,756 sqm, achieved a five-star National Australian Built Environment Rating System (NABERS) energy rating. The acquisition was later completed in April 2019.

67 Albert Avenue, an office with Grade A specifications in Sydney, Australia

HIGHLIGHTS OF THE YEAR

Mapletree acquired a Grade A IT office park in Chennai to further expand its presence in India. Upon acquisition, Mapletree renamed the building to Global Infocity Park Chennai and unveiled a new property logo. This is Mapletree's largest acquisition in India to date.

Mapletree acquired a Grade A IT office park in Chennai, India and renamed as Global Infocity Park Chennai

DECEMBER 2018

Mapletree sponsored a nationwide event, River Hongbao Hackathon (RHBHacks) 2019 to empower youths and realise their entrepreneurship dreams. A retail expert from Mapletree also mentored participants and gave them insights into the retail scene. Three winning teams each received S$2,000 in prize money and S$4,800 in seed money to run their stalls at River Hongbao 2019.

Mapletree acquired a 24-storey office building in Beijing, China. Located in Lize Financial Business District, the property offers a GFA of 51,235 sqm and will provide financial institutions and Fintech firms with Grade A quality office space.

Mapletree acquired two land sites in China. Mapletree Suzhou Logistics Park in Wujiang district will have an NLA of about 57,000 sqm while Mapletree Jinghai Logistics Park is set to have an NLA of about 35,000 sqm. Both parks are positioned to attract well-known local and international companies, as well as high-end logistics services.

JANUARY 2019

The National Library Board opened a 3,000-sqm library at Level 3 of VivoCity, Singapore. library@harbourfront offers a collection of 200,000 books and two distinct zones – one for adults and teens, and another for children.

Oakwood, a wholly-owned subsidiary of Mapletree Investments, strengthened its corporate housing/serviced apartment footprint in the US by managing two properties that were acquired by Mapletree. Oakwood Chicago River North is a 188-unit residential property in

Oakwood Arlington, a 184-unit residential property in Arlington, Virginia

Illinois, while Oakwood Arlington is a 184-unit residential property in Arlington, Virginia.

Oakwood launched The Oakwood Showroom at HarbourFront Tower One in Singapore, showcasing its vision of the next generation of corporate housing/serviced apartment sector. It also serves as a test bed for new building materials and technology.

MLT acquired a Grade A logistics facility in Vietnam-Singapore Industrial Park I in Binh Duong province for VND725.1 billion (~S$42.4 million). Comprising three connected blocks of single-storey warehouses, the facility has a GFA of about 66,846 sqm and land area of 101,196 sqm. The asset will enhance MLT's ability to tap on rising demand for quality logistics facilities in one of the fastest-growing markets.

Three winning teams with the Guest of Honour, Senior Minister of State Chee Hong Tat, River Hongbao Committee Chairman, Mr Ang Wei Neng and Mapletree Chairman, Mr Edmund Cheng at RHBHacks 2019

FEBRUARY 2019

Mapletree-SMU Real Estate Forum – "Insights into the Real Estate Sharing Economy"

Mapletree held an inaugural Mapletree-SMU Real Estate Forum, titled "Insights into the Real Estate Sharing Economy". It was a platform for industry practitioners, subject experts and tertiary students to share trends and cross-disciplinary knowledge. The forum was attended by 110 people comprising SMU students, industry professionals and members of the public.

Mapletree commenced the construction of two state-of-the-art Grade A offices at 400 and 450 Longwater Avenue in Green Park, Reading, the UK. Totalling approximately 21,000 sqm of NLA, the new five-storey buildings will be ready for occupation in September 2020.

An artist's impression of 400 and 450 Longwater Avenue in Green Park, Reading, the UK

MIT acquired 18 Tai Seng for S$268.3 million from its Sponsor, Mapletree Investments. 18 Tai Seng is a nine-storey high-specification mixed-use industrial development with a GFA of about 41,230 sqm, which comprises Business 2 industrial, office and retail spaces. Centrally located in the Paya Lebar iPark, the property is directly connected to Tai Seng MRT station and enjoys accessibility via major expressways.

MARCH 2019

Mapletree unveiled the design of Grade A office twin towers, V Plaza – a joint venture with Saigon Co.op Investment Development Joint Stock Company (SCID) – and officially opened Oakwood Residence Saigon, the first Mapletree-developed corporate housing/ serviced apartment in Vietnam. Held in HCMC, the event was graced by Guest-of-Honour, then Deputy Prime Minister of Singapore Teo Chee Hean, Chairman of the HCMC People's Committee, Mr Nguyen Thanh Phong, Mapletree Chairman, Mr Edmund Cheng and Chairman of SCID, Mr Diep Dung.

Mapletree completed the acquisition of an approximately US$0.9 billion (~S$1.2 billion) portfolio over a series of staged closings, increasing our logistics exposure in nine US states as well as Poland and Germany.

The Group syndicated a logistics private trust comprising logistics assets in the US and Europe, Mapletree US & EU Logistics Private Trust (MUSEL), with US$1.8 billion (~S$2.44 billion) in equity. MUSEL has invested in a portfolio of 262 logistics properties across 26 states in the US and 20 European cities across seven European countries.

A MUSEL property in Los Angeles, US

Ahead of the end of fund life, Japan-focused office fund MJOF divested its four remaining assets. With the full realisation of the fund, MJOF has achieved higher-than-targeted returns.

The third edition of the Mapletree Futsal Challenge was held with 14 participating teams comprising tenants from MBC and PSA Building. With dollar-for-dollar matching by Mapletree, a record S$15,616 was raised for youth intervention programmes managed by Boys' Town and Beyond Social Services.

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1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

2 Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 "Completion of Acquisition of the Japan Portfolio and Use of Proceeds of the Private Placement" and SGX-ST Announcement dated 8 May 2018 "Issue of 311.6 million New Units in MGCCT Pursuant to the Private Placement".

3 This includes the purchase consideration of 7 Tai Seng Drive at S$68 million.

4 This includes the upfront land premium for the balance lease terms paid to JTC Corporation of S$45.9 million.

FINANCIAL
REVIEW

INCOME STATEMENT

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

	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18	2019 FY18/19
Revenue	**1,633.9**	**1,878.9**	**2,328.8**	**3,194.4**	**3,948.1**
Earnings before interest and taxes (EBIT)	1,137.3	1,316.3	1,545.1	1,632.6	2,187.3
Share of profit/(loss) of associated companies and joint ventures (SOA) (operating)	4.1	10.6	30.0	107.9	24.6
EBIT + SOA	**1,141.4**	**1,326.9**	**1,575.1**	**1,740.5**	**2,211.9**
Finance cost – net	(167.4)	(246.2)	(331.7)	(362.2)	(607.8)
Income tax expense	(124.3)	(141.6)	(168.9)	(204.6)	(217.8)
Others	42.4	28.7	36.7	27.3	(20.5)
Non-controlling interests	(418.1)	(438.4)	(467.6)	(509.5)	(595.0)
Recurring PATMI	**474.0**	**529.4**	**643.6**	**691.5**	**770.8**
Asset revaluation gains[1]	545.9	404.1	662.1	1,136.7	1,149.4
Corporate restructuring surplus and disposal gains[2]	3.1	8.3	197.6	126.0	429.7
Other gains/(losses) – net[3]	(19.4)	23.4	(89.6)	4.4	(188.8)
PATMI	**1,003.6**	**965.2**	**1,413.7**	**1,958.6**	**2,161.1**
Attributable to:					
Equity holder of the Company	**954.0**	**915.6**	**1,349.6**	**1,873.6**	**2,088.3**
Perpetual securities holders	**49.6**	**49.6**	**64.1**	**85.0**	**72.8**
	1,003.6	**965.2**	**1,413.7**	**1,958.6**	**2,161.1**
Operational profit after tax and minority interests (Operational PATMI)	**467.6**	**651.0**	**1,376.5**	**764.4**	**950.1**

BALANCE SHEET

As at 31 March (S$ million)

	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18	2019 FY18/19
Assets					
Investment properties:					
Completed properties	22,453.9	27,567.1	30,386.8	37,296.1	46,762.9
Under redevelopment	704.3	996.5	299.6	126.2	212.7
Properties held for sale	17.2	16.5	41.2	87.5	122.2
Properties under development	1,790.4	1,647.2	1,663.0	409.8	805.0
Property, plant and equipment	9.1	11.3	175.6	165.3	175.2
Assets of disposal group held for sale	–	–	–	–	1,697.6
Investments in associated companies and joint ventures	922.4	871.0	1,279.0	1,509.4	1,056.3
Cash and cash equivalents	752.0	1,027.0	1,179.8	1,267.6	1,896.3
Others	554.5	821.4	1,234.2	1,713.1	2,260.6
Total Assets	**27,203.8**	**32,958.0**	**36,259.2**	**42,575.0**	**54,988.8**
Liabilities					
Borrowings/Medium term notes	8,332.3	13,219.3	13,095.5	16,623.4	23,410.2
Current and deferred income tax liabilities	343.7	384.9	422.9	546.2	582.4
Liabilities directly associated with disposal group held for sale	–	–	–	–	724.5
Others	1,132.6	1,294.1	1,517.0	1,488.4	1,923.2
Total Liabilities	**9,808.6**	**14,898.3**	**15,035.4**	**18,658.0**	**26,640.3**
Net Assets	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**	**28,348.5**
Shareholder's funds	9,330.1	9,941.3	11,184.1	12,785.9	14,592.5
Perpetual securities	941.1	941.1	1,817.8	1,760.0	1,760.0
Non-controlling interests	7,124.0	7,177.3	8,221.9	9,371.1	11,996.0
Total Equity	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**	**28,348.5**

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

2 Net of tax and non-controlling interests but including share of associated companies and joint ventures.

3 Extraordinary gains or losses that were not in the ordinary course of business, net of tax and non-controlling interests.

FINANCIAL REVIEW

KEY HIGHLIGHTS – FY18/19

- The Group achieved a record PATMI of S$2,161.1 million in the current financial year, 10.3% higher than the previous financial year. The profitability of the Group was underpinned by strong recurring earnings of S$770.8 million, a year-on-year (y-o-y) growth of 11.5% or S$79.3 million higher than FY17/18. In addition, the Group recorded increased investment gains of S$429.7 million and asset revaluation gains (net) of S$1,149.4 million.

- The Group achieved an operational PATMI of S$950.1 million, a y-o-y increase of 24.3% or S$185.7 million against FY17/18. The current financial year benefitted from divestment gains measured from the original invested cost (OIC), from the divestment of Mapletree Business City Shanghai (MBC Shanghai) and VivoCity Shanghai as well as the syndication of Mapletree US & EU Logistics Private Trust (MUSEL).

- During the year, the Group broadened its global presence with successive acquisitions of 283 logistics buildings in the United States (US) and Europe. In March 2019, S$5.8 billion of these assets were syndicated with the launch of MUSEL. The fund achieved an initial subscription of 35.9% and generated gross equity proceeds of S$870 million.

- The following were the Group's strategic acquisitions during the year:

  - ► In November 2018, the Group expanded its presence in India by acquiring Global Infocity Park Chennai, an operational IT office park with net lettable area totalling 252,403 square metres (sqm).

  - ► The Group further grew its student accommodation portfolio with an acquisition in the United Kingdom (UK) in November 2018. The acquired asset is a 244-bed student accommodation in Norwich.

- The Group continued to expand its development footprint, including the following key development projects:

  - ► Logistics portfolio in China added 18 new projects and completed four development projects, bringing the total gross floor area (GFA) to 4.6 million sqm as at 31 March 2019, an increase of 31% y-o-y.

  - ► In Hong Kong SAR, Mapletree Bay Point – a Grade A office building with retail facilities and GFA of 61,344 sqm within the business district, obtained its occupation permit (OP) in April 2018. The Group subsequently entered into an agreement to divest the property in December 2018. The sale transaction was completed in May 2019.

- Together with its managed real estate investment trusts (REITs) and private funds, the Group executed a number of win-win capital recycling transactions:

  - ► As part of MJOF's exit, the private fund divested six Japan office buildings to Mapletree North Asia Commercial Trust (MNACT)[1] in May 2018 for JPY63.3 billion (~S$770.6 million) and another three Japan office buildings to third-party purchasers in October 2018. The remaining office building was divested in March 2019. Total gross divestment proceeds of JPY143.2 billion (~S$1.7 billion) were generated for the 10 Japan assets. The fund achieved a significantly high net internal rate of return (IRR) estimated at 27.1%[2].

  - ► In June 2018, Mapletree Logistics Trust (MLT) co-invested in 11 China logistics properties owned by Mapletree Investments for RMB1 billion (~S$202.1 million) via a 50:50 joint venture (JV). The transaction was well-received by MLT investors.

18 Tai Seng, Singapore

  - ► Mapletree Industrial Trust (MIT) acquired 18 Tai Seng from Mapletree Investments for S$268.3 million in February 2019. 18 Tai Seng is a unique nine-storey mixed-use development with Business 2 industrial, office and retail spaces. This new addition enhanced the quality of MIT's portfolio in Hi-Tech Buildings segment and was distribution per unit (DPU) accretive to the investors.

- In addition, the Group's managed private funds, Mapletree India China Fund (MIC Fund) and Mapletree China Opportunity Fund II (MCOF II) completed the divestment of MBC Shanghai and VivoCity Shanghai in November 2018, an award-winning mixed-use property with seven blocks of Grade A office buildings and a five-storey shopping mall in Shanghai.

- The Group's managed private fund, MJLD, successfully divested three assets to third-party purchasers.

- Overall, the Group grew its total real estate assets under management (AUM) by 20.3% from S$46.3 billion in FY17/18 to S$55.7 billion as at 31 March 2019.

- The Group delivered a return on equity (ROE) of 15.3% and return on invested equity (ROIE) of 10.4% for FY18/19. Total Debt/Total Asset ratio was 44% as at 31 March 2019 and the Group had ample financial flexibility with S$11 billion of cash and undrawn facilities at the end of the financial year. The Group also extended its debt maturing to 3.8 years. Assuming the Group had completed the divestment of Mapletree Bay Point on 31 March 2019, ROIE would increase to 17.4% and Total Debt/Total Asset ratio would decrease to 42%.

- During the year, Mapletree Treasury Services Limited had three issuances totalling S$750 million with maturities ranging from three to 10 years. The proceeds were used for general corporate purposes. In addition, MLT, MIT and MNACT also raised gross proceeds of S$1.3 billion from the capital market through equity fund raising of S$1.1 billion and fixed rate medium-term note issuance of S$225 million.

PERFORMANCE OVER FIVE YEARS

- The Group grew its PATMI from S$878.2 million in FY13/14 to S$2,161.1 million in FY18/19 at a CAGR of 19.7% per annum (p.a.).

- Growth in asset performance, fee businesses, new acquisitions as well as completed development projects enabled recurring PATMI to increase every year over the past five years from S$381.7 million in FY13/14 to S$770.8 million in FY18/19.

- Fee income (includes REIT management fees) increased from S$203.2 million in FY13/14 to S$450.7 million in FY18/19 at a CAGR of 17.2% p.a.

- Five-year average ROE for the Group stood at 12.8% while the five-year average ROIE was 11%.

- The Group grew its shareholder's funds by S$6.3 billion over a five-year period to S$14.6 billion as at 31 March 2019. Net asset value compounded annual growth rate (NAV CAGR) since 31 March 2014 was 13.1% p.a.

- Total AUM grew by close to 2.3 times from S$24.6 billion as at 31 March 2014 to S$55.7 billion as at 31 March 2019.

- Asia accounted for 71% of the Group's AUM in FY18/19. The Group made a strategic decision to expand beyond Asia into the new markets of Australia, Europe and the US five years ago. These new markets now comprise 29% of Mapletree's total owned and managed real estate assets, with a total AUM of S$16.1 billion as at 31 March 2019.

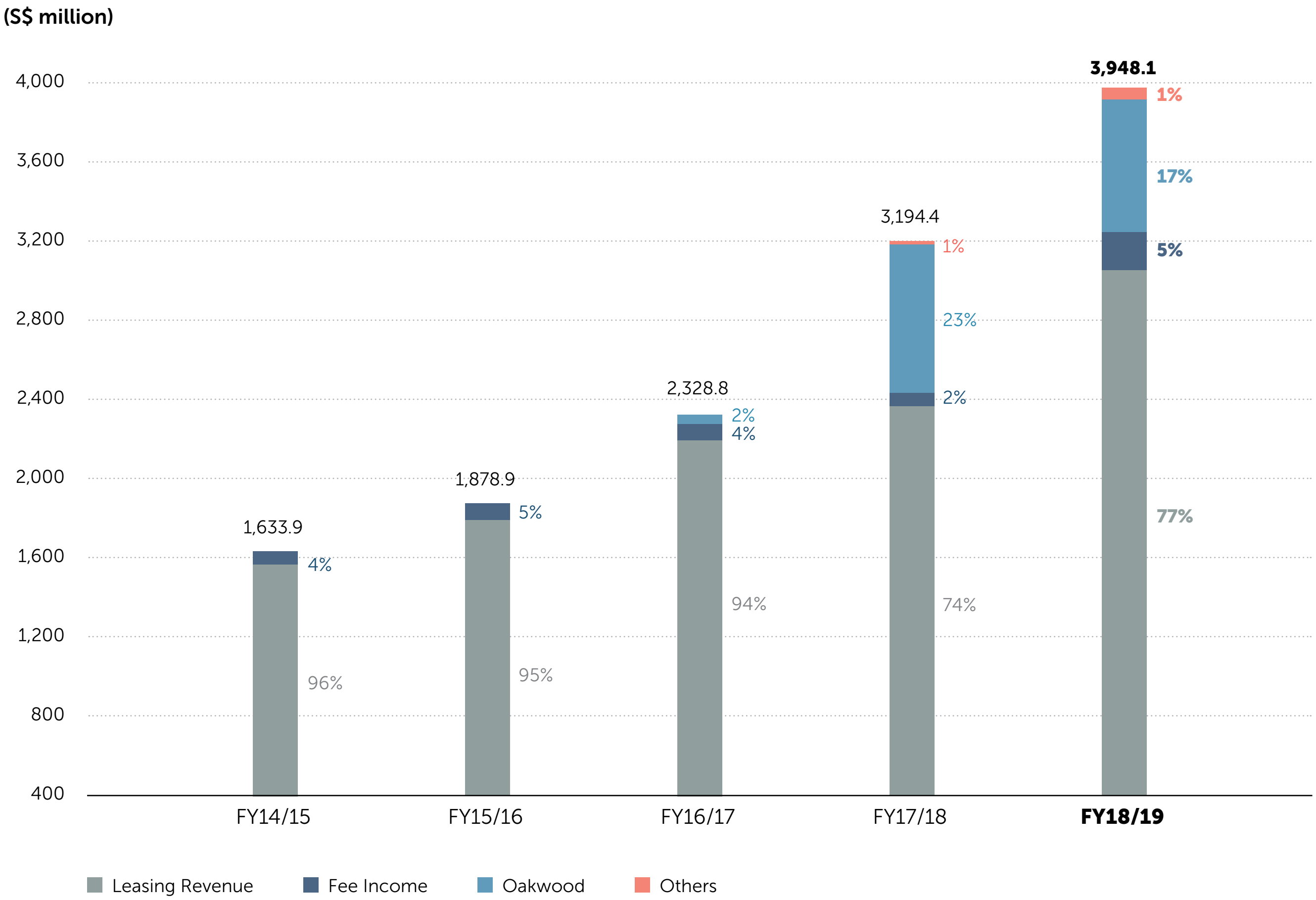
1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

2 After expenses, taxes and base fee but before carried interest. Returns subject to post-closing reconciliation adjustments in July 2019.

FINANCIAL REVIEW

REVENUE

SOURCES OF REVENUE (%)



In FY18/19, the Group achieved total revenue of S$3,948.1 million, representing a strong y-o-y growth of 23.6% or a CAGR of 21% over the last five years.

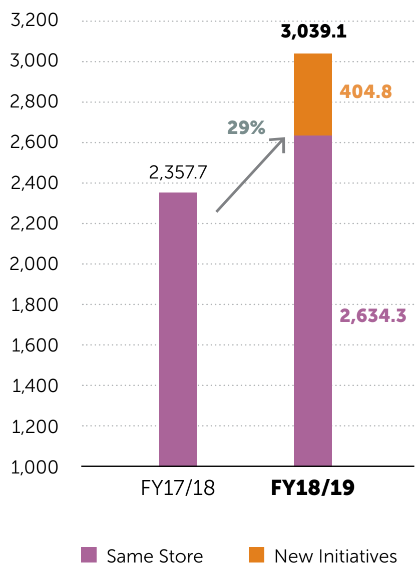
Leasing revenue grew 29% y-o-y mainly driven by new income streams of approximately S$299.1 million from the acquired Europe and the US logistics assets. In addition, revenue from newly completed logistics development projects in China, cruise and ferry operations from Singapore Cruise Centre (SCC), as well as full year revenue from the US data centres acquired in FY17/18 also contributed to the increase.

Leasing revenue from the Group's managed REITs – MLT, MIT, Mapletree Commercial Trust (MCT) and MNACT continued to post y-o-y growth.

The Group recorded fee income of S$191.7 million in FY18/19 compared to S$70.9 million in FY17/18 (fee income of REITs' management companies were eliminated on consolidation). The significant increase was primarily due to incentive fees from MJOF's exit and MIC Fund entering divestment phase.

LEASING REVENUE Y-O-Y ANALYSIS

(S$ million)



MLT's revenue rose 15% to S$454.3 million for FY18/19, mainly attributed to organic growth from existing properties and acquisitions in Singapore, Australia, South Korea and Vietnam.

MIT's gross revenue for FY18/19 was S$376.1 million, 4% higher compared to the corresponding period last year. This was mainly due to new revenue contribution from HP Singapore Phase 2, 18 Tai Seng, Mapletree Sunview 1 and 30A Kallang Place, partially offset by lower portfolio occupancy in FY18/19.

MCT's revenue rose 2% to S$443.9 million for FY18/19, mainly due to higher rental income from new and renewed leases in VivoCity and Mapletree Business City I.

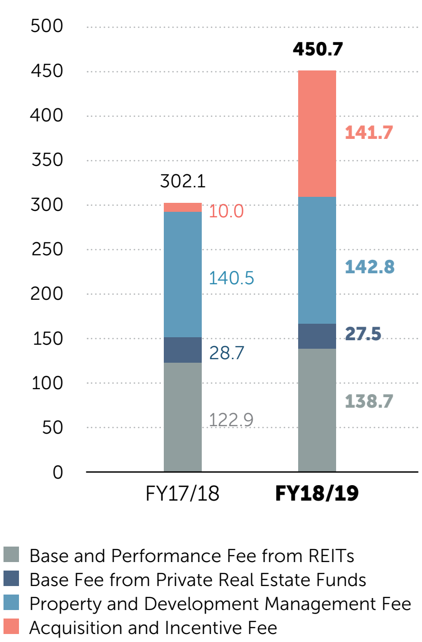
MNACT's gross revenue for FY18/19 was S$408.7 million, 15% higher than FY17/18. The revenue growth was largely attributable to new revenue contribution from six Japan commercial properties acquired from MJOF in May 2018.

Aside from the REIT leasing revenue growth, the Group's same store assets delivered better performance in leasing revenue from existing projects in Australia, China and the UK. Completion and leasing of China logistics development projects and Mapletree Bay Point as well as higher occupancy in Mapletree Business City II (MBC II) also contributed to the leasing revenue growth.

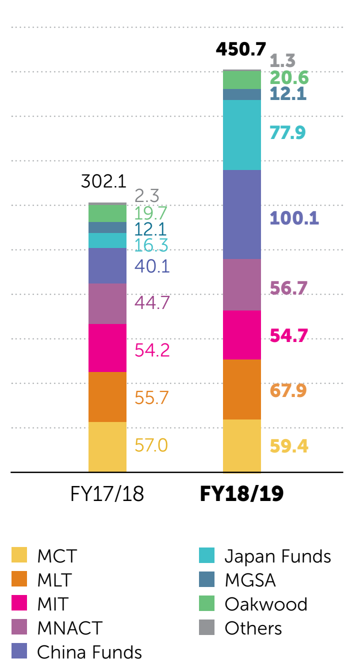
Revenue from new initiatives was mainly contributed by the acquisitions of logistics portfolio in Europe and the US, as part of the Group's strategic decision to expand beyond Asia and into new markets.

FEE INCOME (INCLUDING REIT MANAGEMENT FEES) Y-O-Y ANALYSIS

Fee Income by Type
(S$ million)



Fee Income by Business Unit (BU)
(S$ million)



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

Including REIT management fees, fee income increased from S$302.1 million in FY17/18 to S$450.7 million in FY18/19, driven by incentive fees from MJOF upon full realisation of the fund and MIC Fund as the fund entered divestment phase.

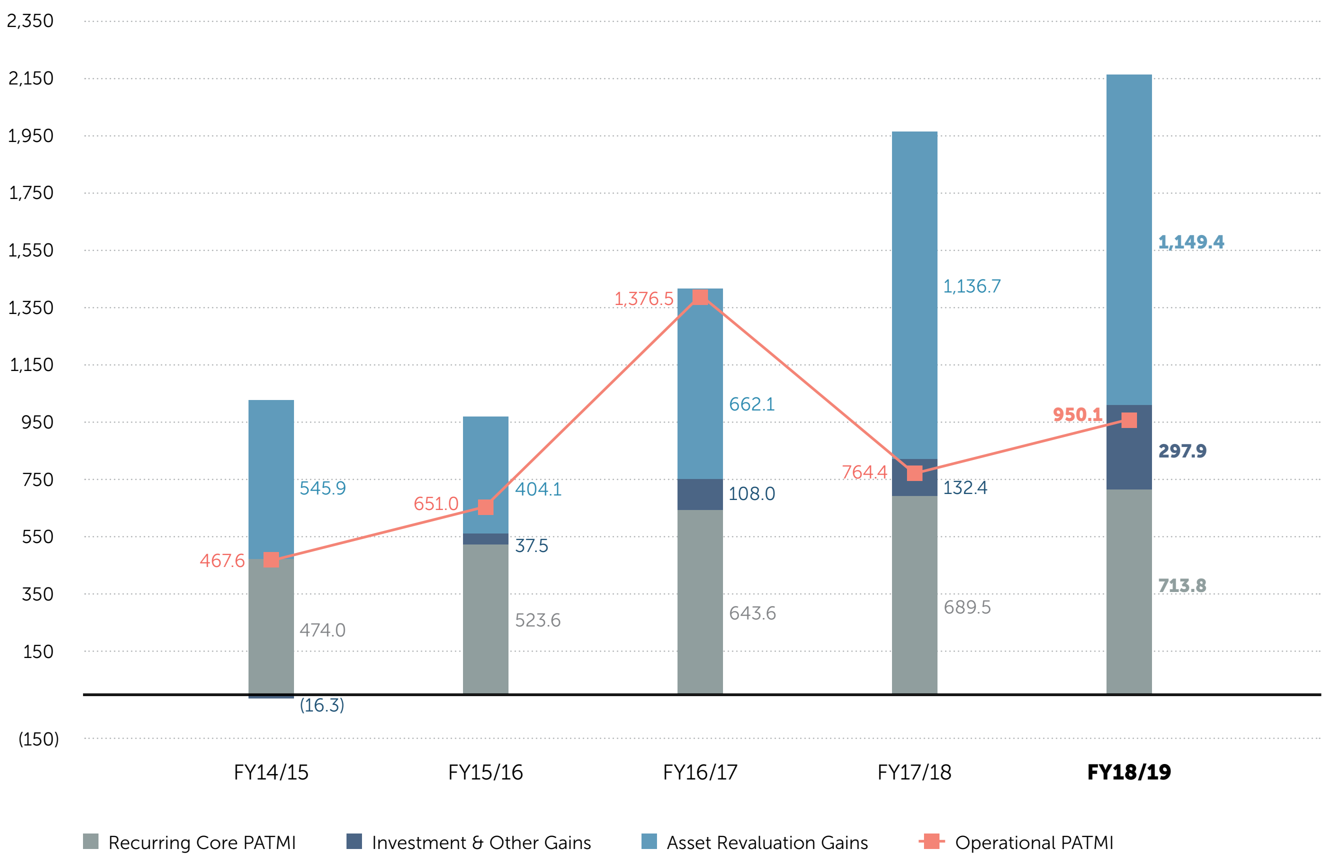
Fee income from MLT and MNACT increased by S$24.2 million y-o-y in FY18/19 arising from MLT's 50% interest in 11 logistics properties in China and MNACT's acquisition of six new Japan commercial properties.

FINANCIAL REVIEW

EARNINGS PROFILES

PATMI AND OPERATIONAL PATMI

(S$ million)

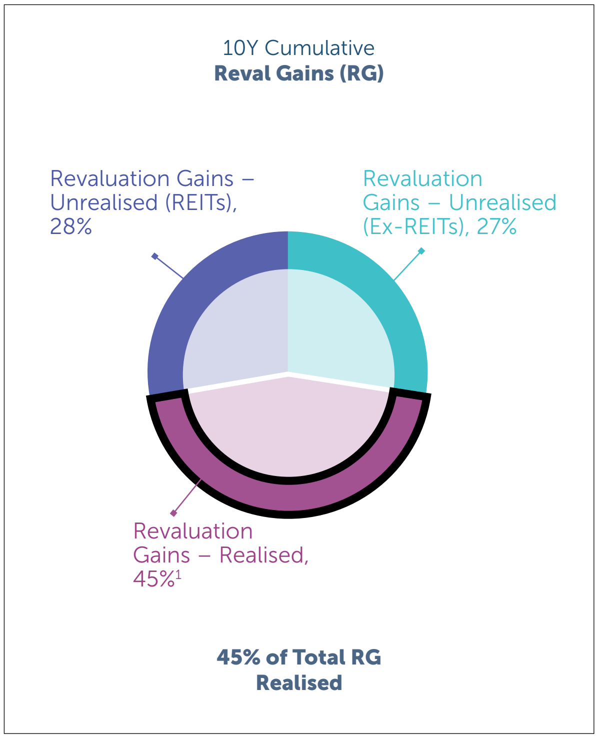


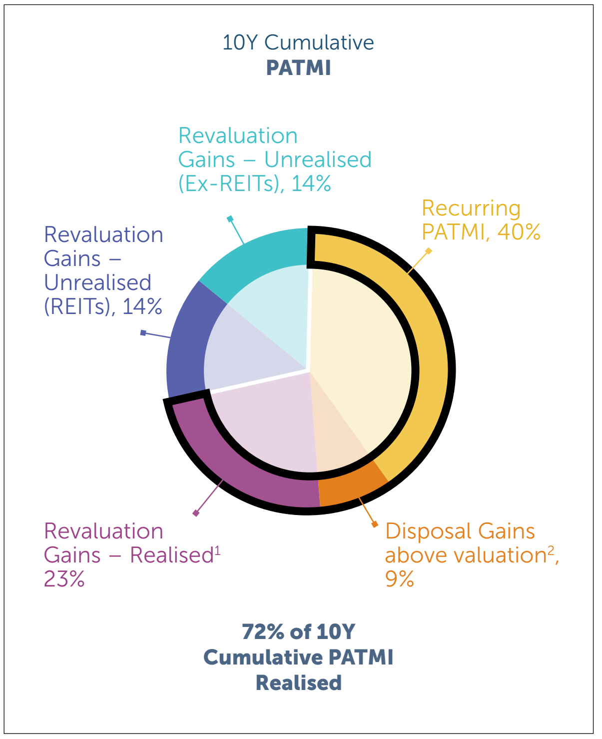
In FY18/19, the Group outperformed its previous year's result with a record PATMI of S$2,161.1 million, representing a growth of 10.3% y-o-y. The increase in PATMI was mainly attributable to the growth in recurring core PATMI as well as higher investments and other gains in FY18/19.

Recurring core PATMI grew by 4% from S$689.5 million in FY17/18 to S$713.8 million in FY18/19, driven by higher recurring earnings and the Group's efforts to build up its presence globally across various major asset classes, particularly in Europe and the US. Asset revaluation gains of S$1,149.4 million were recorded in FY18/19, marginally increasing by S$12.7 million from FY17/18.

The Group achieved Operational PATMI of S$950.1 million in FY18/19, compared to S$764.4 million in FY17/18. The higher Operational PATMI was mainly due to the growth in recurring core PATMI, higher gains from OIC resulting from the divestment of MBC Shanghai and VivoCity Shanghai, MUSEL syndication and asset realisation from MJOF's closure.

PATMI AND ASSET REVALUATION GAINS





While the Group has been taking a long-term view on each investment and development project, we may divest certain assets to third parties or recycle to Mapletree's REITs or private funds, when commercial circumstances arise. This enabled the Group to improve the gearing and free up capital for re-investments. Upon divestment, these assets' revaluation gains were realised as cash proceeds and recognised in subsequent years as OIC gain in Operational PATMI.

On a 10-year cumulative results basis, 45% of total revaluation gains were realised. Of the remaining 55%, unrealised gains in REITs' assets and Mapletree Investments' assets constituted 28% and 27% respectively.

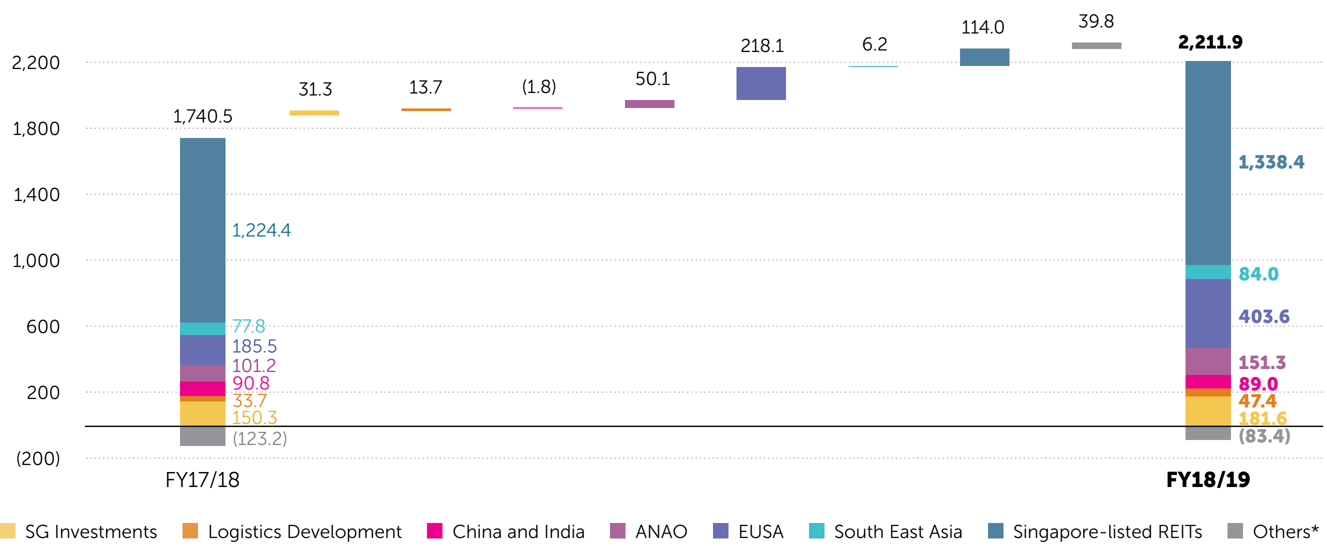
Recurring PATMI, disposal gains above valuation and realised revaluation amounted to 72% of the Group's 10-year cumulative PATMI.

1 Includes Mapletree Bay Point.
2 Valuation as at financial year-end preceding the disposal.

FINANCIAL REVIEW

EBIT + SOA Y-O-Y GROWTH ANALYSIS BY BUSINESS UNIT (BU)

(S$ million)



The Group recorded higher EBIT + SOA from S$1,740.5 million in FY17/18 to S$2,211.9 million in FY18/19, contributed mainly from active lease management and cost containment of the portfolio, as well as new income streams from acquired logistics properties in Europe and the US, US data centres, SCC, and newly completed development projects in China.

Singapore Investments business unit (BU) recorded a higher EBIT + SOA by S$31.3 million over FY17/18 mainly due to new income stream from SCC and higher leasing income from MBC II with a higher occupancy rate achieved.

Logistics Development BU reported an increase by S$13.7 million, largely attributable to new income stream from newly completed development projects in China.

China and India BU recorded a lower EBIT + SOA by S$1.8 million, with lower contribution from MCOF II compared to FY17/18 when Nanhai Business City Phase 4 achieved completion and recorded sale of residential units. Divestment of MBC Shanghai and VivoCity Shanghai in November 2018 also contributed to loss of income for both China Funds, while partially offset by incentive fee income earned by the fund manager from the divestment.

Australia-New Zealand, North Asia and Oakwood (ANAO) BU recorded higher EBIT + SOA by S$50.1 million as Mapletree Bay Point, in Hong Kong SAR, obtained its occupation permit in April 2018, and the recognition of incentive fee was recognised upon the closure of MJOF. The higher earnings were partially offset by lower contribution from MJOF due to recycling of six commercial properties to MNACT in May 2018.

Europe and USA (EUSA) BU achieved higher EBIT + SOA by S$218.1 million primarily from FY18/19 acquisitions of logistic properties in Europe and the US, and full year contributions from FY17/18 acquisitions of student accommodation and office commercial buildings in the US and the UK.

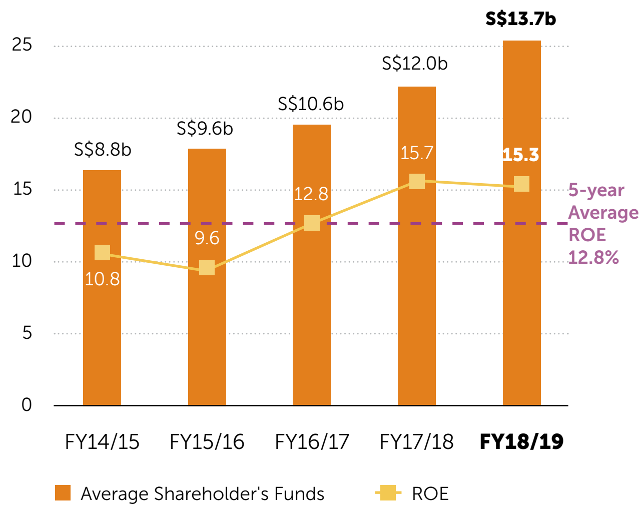
South East Asia BU recorded higher EBIT + SOA by S$6.2 million mainly due to the commencement of serviced apartment, Oakwood Residence Saigon in April 2018, sales of residential units in RichLane Residences as well as stronger operational performance of the Vietnam market.

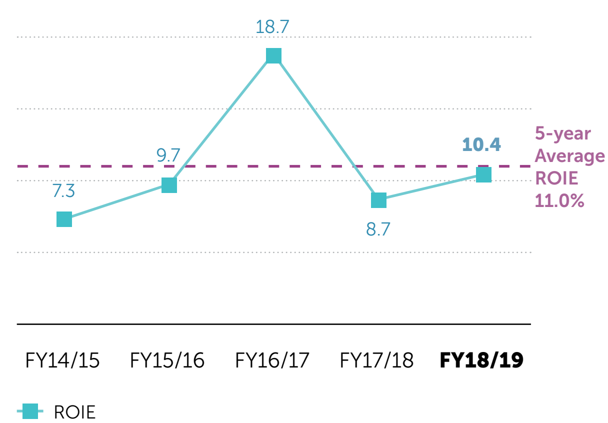
REITs recorded higher EBIT + SOA by S$114 million, mainly contributed from MLT, MIT and MNACT. Stronger performance from MLT was due to new acquisition of logistics properties in Singapore, Australia and South Korea as well as new contribution from the completed redevelopment of Mapletree Ouluo Logistics Park (MOLP) Phase 1. Higher EBIT + SOA contribution from MNACT was primarily due to the new earnings contribution from the six Japan commercial properties acquired from MJOF in May 2018.

Data centres in the US posted an increase of S$51.9 million, attributable to the full year income contribution in the current financial year.

EARNINGS RATIO

ROE (%) AND ROIE (%)





ROE decreased marginally from 15.7% in FY17/18 to 15.3% in FY18/19, mainly due to higher average shareholder's funds in FY18/19, partially offset by higher PATMI.

ROE for a real estate company includes gains or losses from revaluation of investment properties, when can be significant, in accordance with Singapore Financial Reporting Standards (International) 1-40 Investment Property. From an operational measurement point of view, the Group also considers ROIE as one of its performance measurement metrics. This ratio captures operating returns of the Group for the amount invested by its shareholders 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.

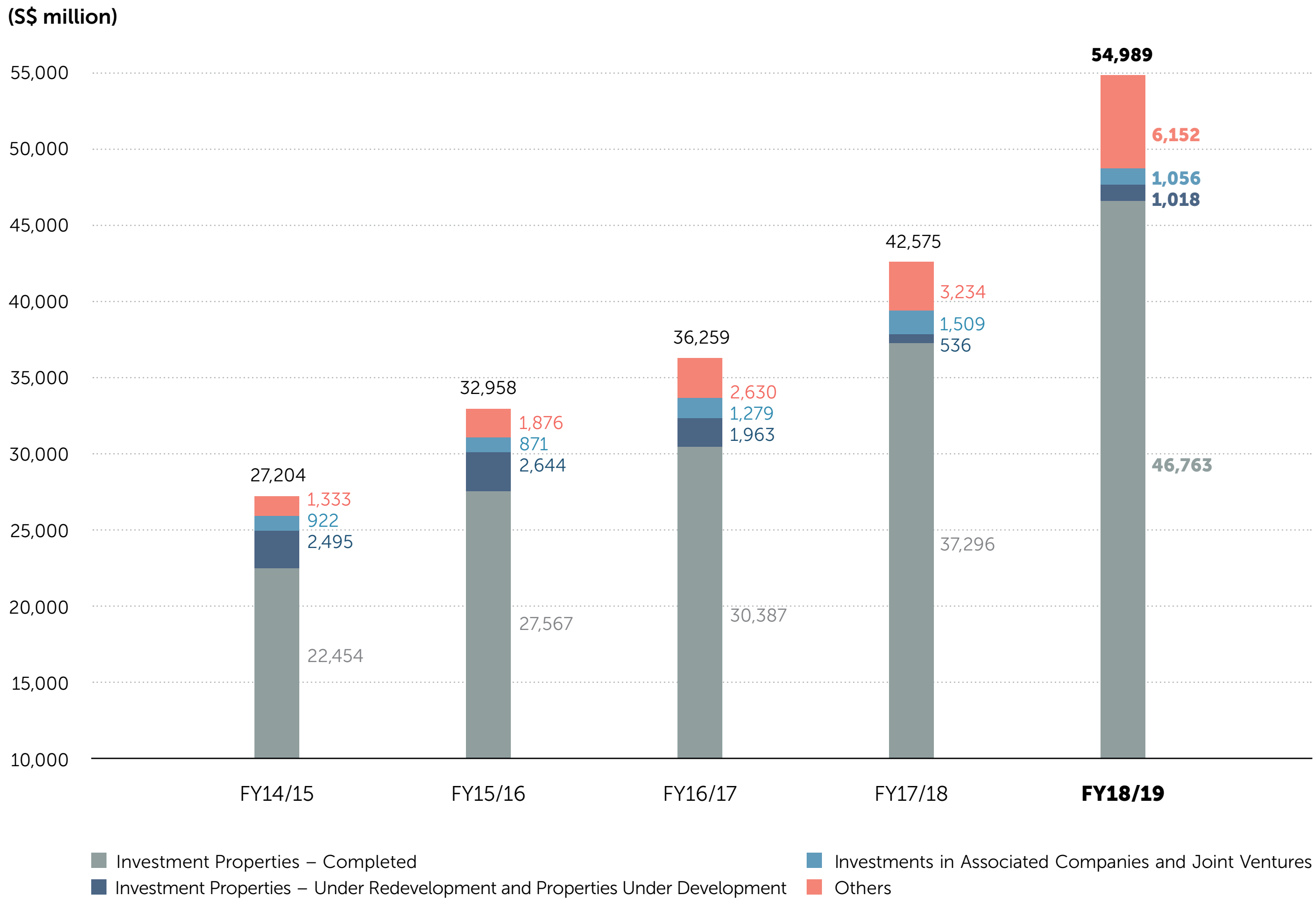
The Group delivered to its shareholder ROIE of 10.4% in FY18/19, higher than the ROIE of 8.7% in FY17/18. This was driven by higher recurring earnings and divestment gain from OIC of MBC Shanghai and VivoCity Shanghai, recycling of Europe and the US logistics properties into MUSEL and closure of MJOF. Assuming the Group had completed the divestment of Mapletree Bay Point on 31 March 2019, ROIE would increase to 17.4%.

* Includes EBIT of the US data centres which are jointly-controlled by Mapletree Investments and MIT.

FINANCIAL REVIEW

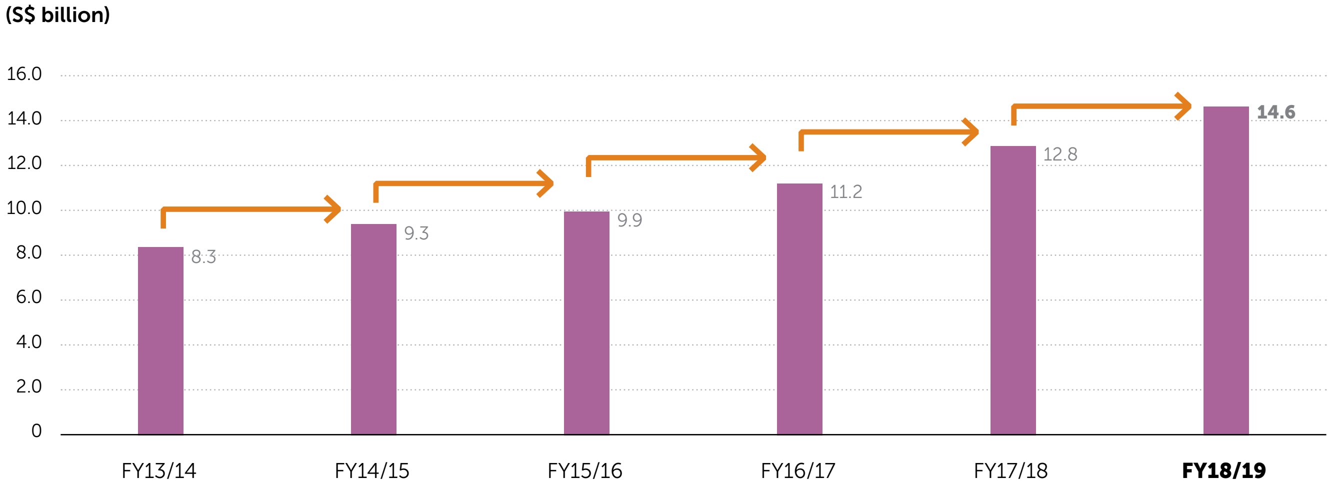
TOTAL ASSET BASE AND SHAREHOLDER'S FUNDS

TOTAL ASSET BASE



Total assets grew from S$42,575 million in FY17/18 to S$54,989 million in FY18/19, primarily due to an increase of S$9.5 billion in Investment Properties – Completed. The increase was attributable to acquisitions of new investment properties in Singapore, Europe, India, Japan and the US, valuation uplift of the overall portfolio and completion of properties under construction.

SHAREHOLDER'S FUNDS

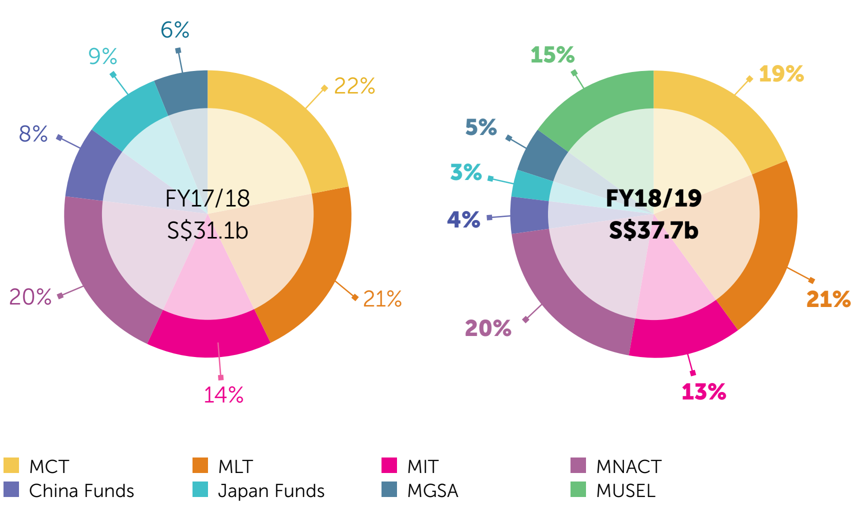


Over the years, the Group continued to seek quality and yield-accretive investment opportunities that deliver long-term value across different asset classes, and execute well on its development projects.

Strong underlying businesses, increase in real estate valuation and capital management platforms underpinned returns and generated considerable value to the shareholder's funds over the past few years.

The Group's PATMI of S$2,161.1 million in FY18/19 contributed to a 14% increase in shareholder's funds from S$12.8 billion for FY17/18 to S$14.6 billion for FY18/19.

THIRD-PARTY ASSETS UNDER MANAGEMENT (AUM) BY SEGMENT (%)

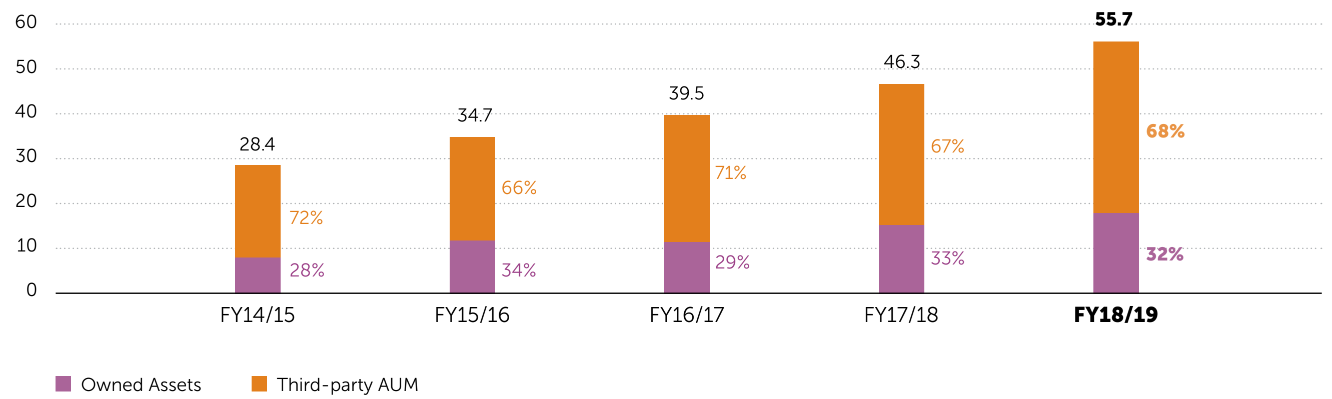


Third-party AUM grew by $6.6 billion from S$31.1 billion in FY17/18 to S$37.7 billion in FY18/19. The increase was mainly due to capital uplifts of the REITs' portfolio, MLT's acquisitions in various countries, MNACT's acquisitions of the six Japan assets from MJOF as well as successful syndication of MUSEL in March 2019. This was partially offset by fund closure of MJOF in March 2019 and divestment of MBC Shanghai and VivoCity Shanghai by the China Funds.

FINANCIAL REVIEW

TOTAL REAL ESTATE ASSET BASE

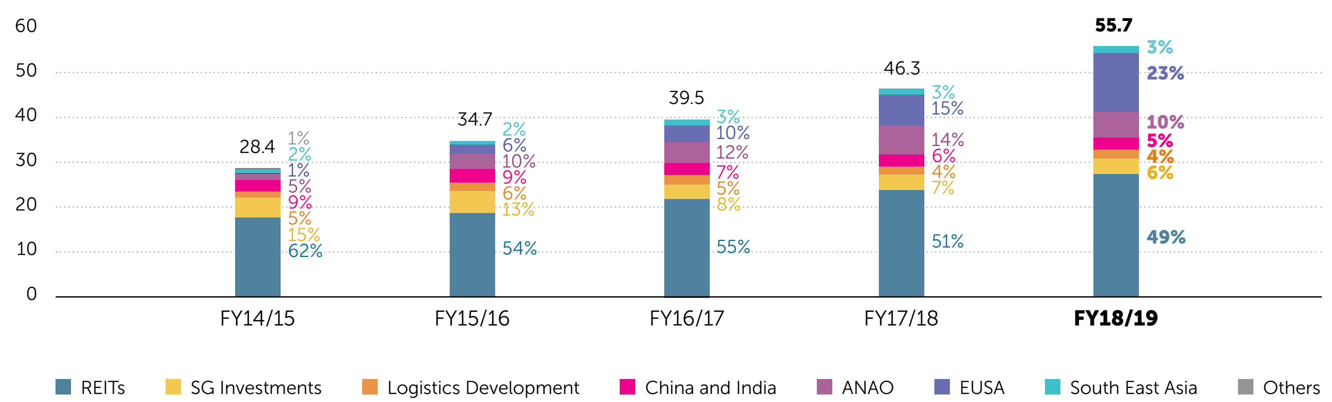
(S$ billion)



The Group continued to achieve significant growth in its real estate AUM in the last five years with the growth of CAGR at 17.8%. Total owned and managed real estate assets increased from S$46.3 billion in FY17/18 to S$55.7 billion in FY18/19 mainly due to increased acquisitions in Europe and the US (largely logistics properties), Australia and India. Positive value contributions from development activities, capital value uplift of the REITs' portfolio and the Group's owned assets including MBC II in Singapore and Mapletree Bay Point in Hong Kong SAR, contributed to the growth in AUM.

TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY BU (%)

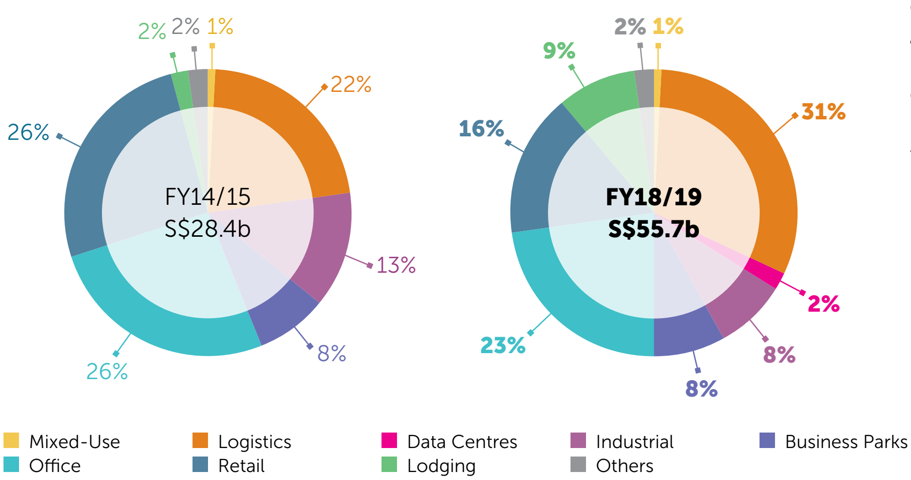
(S$ billion)



In line with the Group's strategy to grow new income streams beyond Asia, EUSA BU has accelerated its growth and accounted for 23% of AUM as at 31 March 2019, to become the largest BU by AUM of the Group.

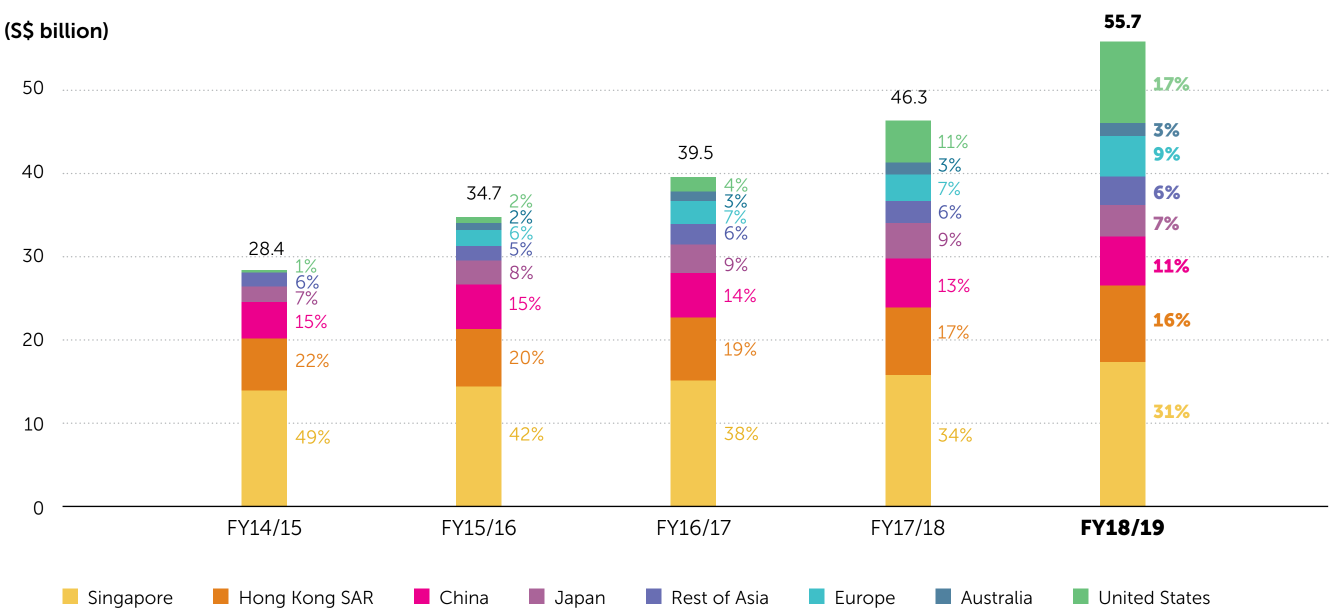
The decrease in the AUM of ANAO BU was due to the closure of MJOF.

TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY ASSET CLASS (%)



Concurrently, acquisitions in Europe and the US lifted the Group's Logistics portfolio to 31% of AUM, as the Group's largest asset class. Retail portfolio, on the other hand, reduced from 26% of AUM in FY14/15 to 16% in FY18/19.

TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY COUNTRY (%)



To date, the Group owns and manages real estate assets across 12 markets. During the year, the Group further boosted its presence in Europe, India, the UK and the US, mainly in the corporate lodging, logistics and office sectors. Mapletree's total owned and managed real estate assets in Australia, Europe and the US accounted for 29% of the Group's total AUM as compared to 21% a year ago. Regardless, Singapore remains predominant, with the largest proportion of assets at 31%.

FINANCIAL REVIEW

GLOSSARY	
EBIT + SOA	Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
NAV CAGR	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 2014 as starting base.
New Initiatives	New initiatives relate to acquisitions and developments completed in FY18/19.
Operational PATMI	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 OIC. Gains or losses on foreign exchange, fair value adjustments for financial derivatives and financial assets available-for-sale (per SFRS(I) 1-39 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.
PATMI	PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
Recurring Core PATMI	Recurring Core PATMI is derived from Recurring PATMI less incentive fees and residential profit.
ROE	ROE denotes return on equity and is computed based on PATMI attributable to equity holder of the Company over shareholder's funds.
ROIE	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.

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

FINANCIAL MARKET REVIEW

The global economy started 2018 on a positive note but weakened in the second half of the year due to geopolitical tensions, United States-China trade conflict and market volatility from the increased pace of US interest rate hikes. Some of these factors are expected to carry over to coming quarters, and global growth is projected to decline.

The Singapore economy's growth slowed to 3.2% in 2018, from 3.9% in 2017, mainly due to a decline in the manufacturing sector. The Monetary Authority of Singapore has, in April 2019, maintained a modest and gradual appreciation path of the Singapore Dollar to ensure medium-term price stability. China's economy grew 6.6% in 2018, the slowest rate in 28 years, amid a crackdown on high debt levels and an ongoing trade dispute with the US. On the other hand, the US economy grew 2.9% in 2018, which was the strongest since 2015, driven by tax cuts and increased government spending. After four rate hikes in 2018, the US Federal Reserves is expected to leave rates unchanged this year, given risk to the US economy from a global slowdown. The United Kingdom (UK) kept rates unchanged since the last rate hike in August 2018 given Brexit uncertainty, and most other central banks (including Eurozone, Japan and Australia) also maintained their monetary policies to support economic activity and boost inflation.

FINANCIAL RESOURCES AND LIQUIDITY

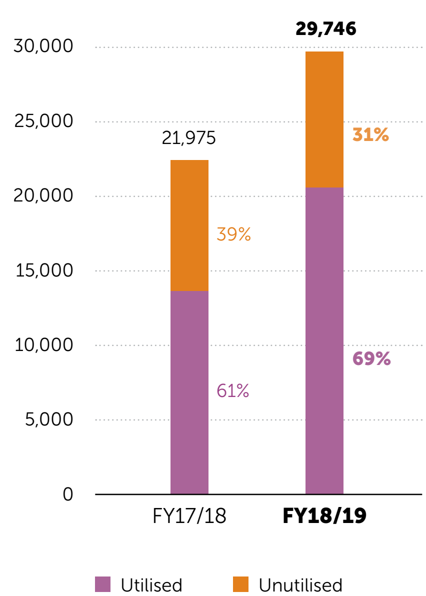
During the year, Mapletree continued to proactively build a strong base of funding resources. This enables Mapletree to capitalise on investment opportunities. On an ongoing basis, the Group monitors its cash flow position, debt maturity profile, cost of funds, foreign exchange and interest rate exposures, 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.

Financial Capacity	S$ million
Cash[1]	1,900
Unutilised Facilities from Financial Institutions	9,135
Total	**11,035**
Issue Capacity under Euro/Medium Term Note Programmes	**15,080**

As at 31 March 2019, total cash reserves and unutilised banking facilities amounted to S$11,035 million.

FACILITIES FROM FINANCIAL INSTITUTIONS – AVAILABILITY AND UTILISATION

(S$ million)



To further diversify our funding sources, the Group tapped on the capital market during the year and raised the following:

- Mapletree Treasury Services Limited had three issuances totaling S$750 million with maturities ranging from three to 10 years. The proceeds were used for general corporate purposes.
- Mapletree North Asia Commercial Trust (MNACT)[6] issued HK$580 million (~S$100.2 million) 3.65% eight-year fixed rate notes in March 2019. The proceeds were used to refinance existing borrowings.
- Mapletree Industrial Trust (MIT) established a S$2 billion Euro Medium Term Securities Programme in September 2018 and issued S$125 million 3.58% 10-year fixed rate notes in March 2019. The proceeds were used to refinance existing borrowings.
- Mapletree Commercial Trust increased its existing S$1 billion Medium Term Note Programme to S$3 billion in June 2018 to enhance financial flexibility.

The Group also raised US$2,032 million (~S$2,755.6 million) of non-recourse debt from top American life insurance lenders to part-finance a portfolio of 200 logistics assets in the US, with maturities ranging from five to eight years.

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

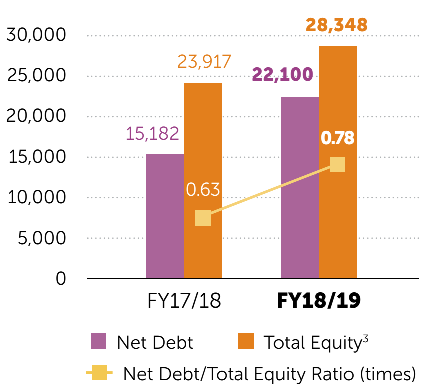
DEBT AND GEARING

	As at 31 March 2018 S$ million	As at 31 March 2019 S$ million
Total Debt[1, 2]	16,449	24,000
Cash[1]	1,267	1,900
Net Debt	15,182	22,100

As at 31 March 2019, the Group's net debt was S$22,100 million as compared to S$15,182 million as at 31 March 2018. Net Debt/Total Equity Ratio increased to 0.78 times from 0.63 times a year ago and Total Debt/Total Assets Ratio increased to 0.44 times from 0.39 times during the same period.

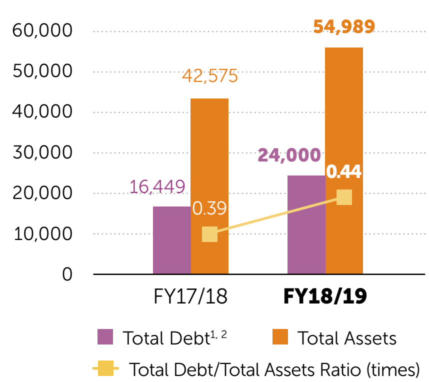
NET DEBT/TOTAL EQUITY

(S$ million)



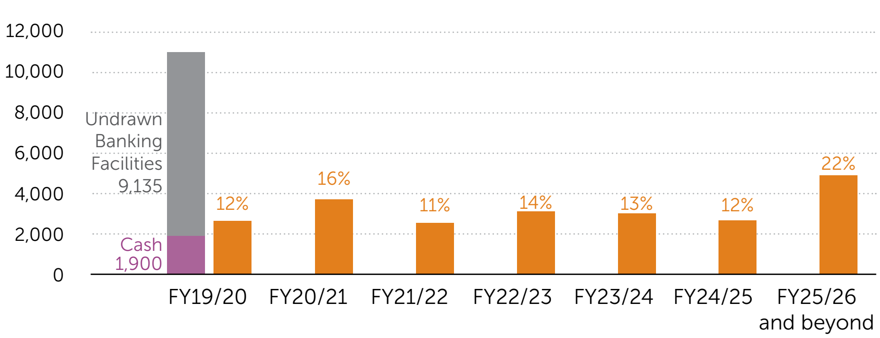
TOTAL DEBT/TOTAL ASSETS

(S$ million)



MATURITY PROFILE AS AT 31 MARCH 2019

(S$ million)



The increase in debt was primarily due to new acquisitions as the Group continues to deepen its presence in the US and Europe (logistics asset portfolios), India (IT office) and office assets in China's Tier 1 cities as well as Australia. MNACT also acquired a portfolio of six commercial assets in Japan in May 2018 and Mapletree Logistics Trust (MLT) acquired a portfolio of five logistics properties in Singapore in September 2018. In addition, the Group made further progress on the development front, with the addition of 18 new logistics projects in China and started its first student accommodation developments in the UK and the US.

MLT co-invested in 11 logistics properties in China via a 50:50 joint venture in June 2018 and MIT acquired 18 Tai Seng in February 2019. Gross proceeds recycled amounted to approximately S$470 million.

Post FY18/19, the Group completed the divestment of Mapletree Bay Point in Hong Kong SAR to a private equity firm in May 2019, and the proceeds were mainly deployed to repay debt. Assuming this divestment had been completed on 31 March 2019, the pro-forma gearing ratios and average debt maturity would improve to the following:

- Net Debt/Total Equity Ratio: 0.72 times (from 0.78 times)
- Total Debt/Total Assets Ratio: 0.42 times (from 0.44 times)
- Average Debt Maturity: 4.0 years (from 3.8 years)

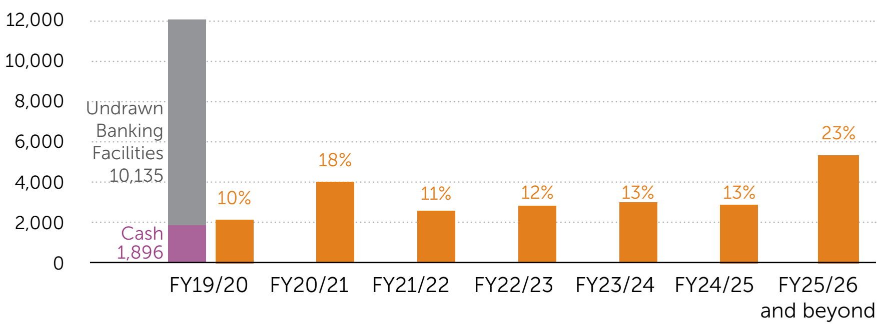
In line with the strategy to expand the Group's real estate capital management platforms, Mapletree successfully completed the first stage of Mapletree US & EU Logistics Private Trust (MUSEL) syndication (for the US and Europe logistics portfolios) in March 2019 raising approximately S$870 million third-party equity from a diversified group of investors, and freeing corporate facilities with non-recourse debt.

As at 31 March 2019, about 99.7% of the Group's debt was from committed banking facilities and medium to long-term bond issuance. The balance 0.3% 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

MATURITY PROFILE AS AT 31 MARCH 2019 (PRO-FORMA AFTER MAPLETREE BAY POINT)

(S$ million)



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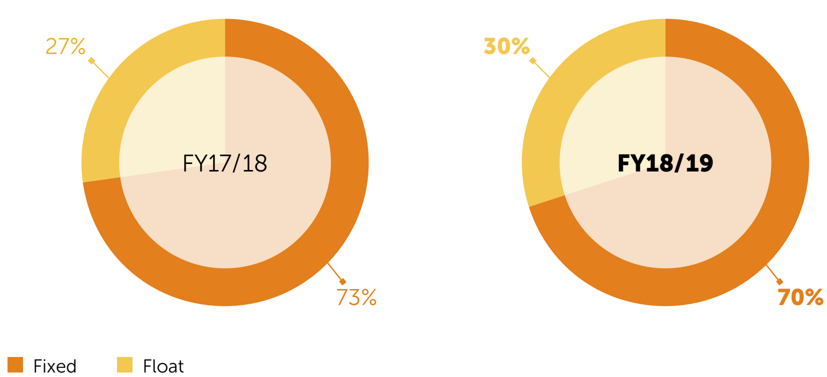
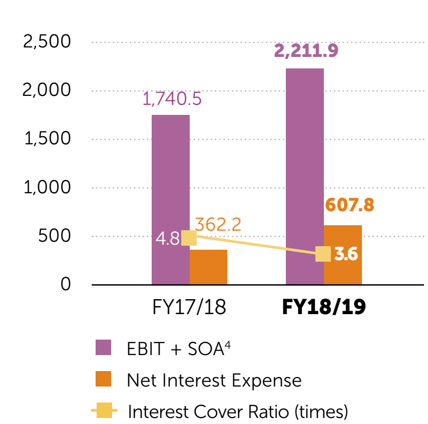


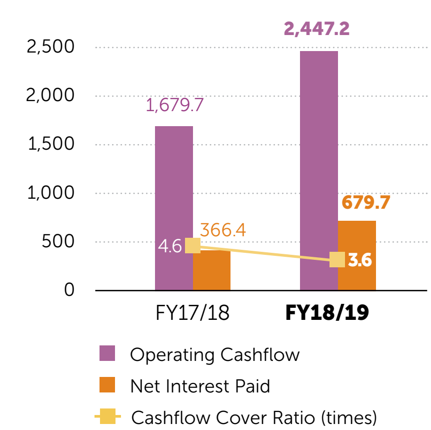
INTEREST COVER RATIO

(S$ million)



CASHFLOW COVER RATIO

(S$ million)



reduce refinancing risks. The average life of its existing gross debt portfolio was 3.8 years as at 31 March 2019 compared to 3.2 years a year ago. The Group has more than sufficient resources to support its refinancing needs for the next financial year.

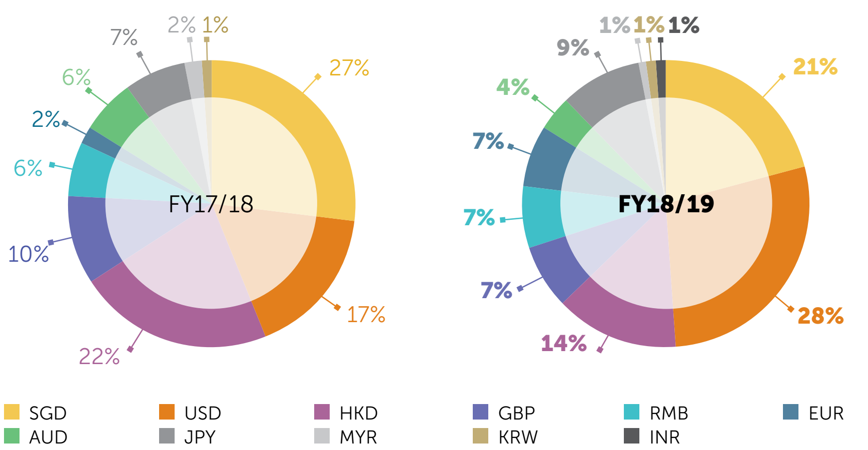
Mapletree continues to maintain and build active relationships with a wide network of banks and life insurance companies of various nationalities. The diversification of financial institutions has enabled the Group to tap on the different competencies and strengths of its relationship banks to support 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 70% 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.

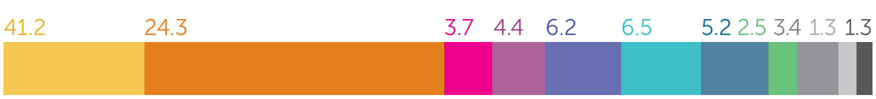
In FY18/19, the Group's interest cover ratio and cashflow cover ratio (including finance costs capitalised) both decreased to 3.6 times from 4.8 times and 4.6 times in FY17/18 respectively.

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

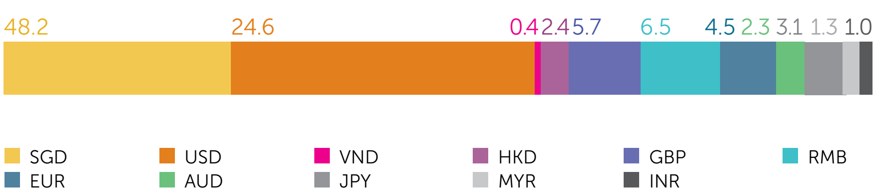
DEBT PROFILE (CURRENCY BREAKDOWN)



ASSETS (%)



LIABILITIES[5] AND EQUITY (%)



ASSET-LIABILITY MANAGEMENT

Where feasible, the Group adopts a natural hedge policy to mitigate exposure to foreign exchange rate risks. As at 31 March 2019, 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 listed real estate investment trusts (REITs) have their own Board and Board Committees. The respective management companies of the REITs, guided by their Board and Board Committees, manage their own 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 minimises foreign exchange exposure by closely matching its assets and liabilities by currency.

On the left is an analysis of the asset-liability breakdown by currency excluding the consolidation of the REITs as at 31 March 2019.

1 Includes cash and borrowings accounted under disposal group held for sale.

2 Loans from non-controlling interests of subsidiaries have been excluded from the analysis.

3 Comprising shareholder's funds, perpetual securities and non-controlling interests.

4 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.

5 Adjusted for foreign exchange contracts and cross currency interest rate swaps.

6 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

AWARDS AND ACCOLADES

INVESTMENT & CAPITAL MANAGEMENT

Best Foreign Real Estate Enterprises 2019 – Ranked 9th Place
Guandian.cn, China
Mapletree Investments Pte Ltd

Singapore Corporate Awards 2018 – Best Annual Report Award in the REITs & Business Trusts Category (Bronze)
Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times
Mapletree North Asia Commercial Trust[1]

BUILDING EXCELLENCE

CoStar Awards 2019 – West London & Thames Valley Office – Deal of the Year
CoStar Awards
Green Park

Frost & Sullivan Asia-Pacific Best Practices Awards 2018 – Asia-Pacific Logistics Facilities Developer of the Year
Frost & Sullivan
Mapletree Logistics Trust Management Ltd

BCA Universal Design Mark Awards 2018 – Non-Residential (New) (Platinum)
Building and Construction Authority, Singapore
Mapletree Business City II

PropertyGuru Vietnam Property Awards 2018 – Best High End Condo Architectural Design (Winner) and Best High End Condo Landscape Architectural Design (Highly Commended)
PropertyGuru
One Verandah

PropertyGuru Vietnam Property Awards 2018 – Best High End Condo Development (Ho Chi Minh City) (Highly Commended)
PropertyGuru
RichLane Residences

PropertyGuru Vietnam Property Awards 2018 – Best Mixed Use Development (Highly Commended)
PropertyGuru
Saigon South Place

BUSINESS SUSTAINABILITY

Water Efficient Building Certification 2019
Public Utilities Board, Singapore
30A Kallang Place

BCA Green Mark Awards 2018 (Platinum)
Building and Construction Authority, Singapore
Build-to-Suit data centre for Equinix, SG3

Biodiversity Benchmark Award for a Living Landscape 2018 – Single Site Certification
The Wildlife Trusts
Green Park

Certificate of Green Building Label (2 Star) 2018-2021
Shanghai Green Building Council
Sandhill Plaza

The Power Partner Award 2018 – Shopping Mall
Hong Kong Green Shop Alliance
Festival Walk

Water Efficient Building Certification 2018
Public Utilities Board, Singapore
1 & 1A Depot Close
45 Ubi Road 1

RETAIL & SERVICE EXPERIENCE

Apple Daily Best Mall Awards 2018 – Top 10 My Favourite Mall
Apple Daily, Hong Kong SAR
Festival Walk

ASAP Serviced Apartment Corporate Account Management Award 2018
The ASAP – Association of Serviced Apartment Providers
Oakwood

Best Event-Led PR Campaign – PR Awards 2019 Southeast Asia
Marketing Magazine
VivoCity (jointly won with The Walt Disney Company), "VivoCity x Disney Tsum Tsum Mid-Autumn: A Celebration of Love" campaign

Corporate Housing Providers Association's Tower of Excellence Award 2019 – Most Creative Marketing (more than US$49 million revenue)
Corporate Housing Providers Association
Oakwood

DestinAsian Readers' Choice Awards 2019 – Top 5 Serviced Residence Brands
DestinAsian Media Group
Oakwood

Digital EX Marketing Awards 2018 – Top Ten Malls
Metro Finance, Hong Kong SAR
Festival Walk

Readers' Choice Awards 2019 for the Best Shopping Centre – Voted and Awarded 2nd Place
Expat Living
VivoCity

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

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

GREATER VISION GREATER FUTURE

FY18/19 capped the end of the second Five-Year Plan that Mapletree set in FY13/14 with a strong finish. Attesting to the Group's strong commitment and execution of its business model, Mapletree broadened its presence into new sectors and new markets, as well as delivered high and consistent performance in FY18/19. Mapletree will continue to focus on the disciplined execution of its business model as a real estate developer, investor, capital and property manager to achieve high sustainable returns in the third Five-Year Plan.

THIRD FIVE-YEAR PLAN

Key Performance Indicators	Remarks	Targets
Returns		
Average ROIE	Cash on cash returns for shareholder	10% – 15%
Average ROE	Commonly used return measurement	10% – 15%
Earnings/Cash Flow		
Average Recurring PATMI	Recurring earnings of the business	S$900 million – S$1 billion
Recycled Proceeds[1,2]	Cashflow recycled for new investments/re-investments	>S$20 billion
Capital Management		
Fee Income[1]	Fees from capital management business	>S$2.5 billion
AUM Ratio	Efficiency of capital employed	>3x
AUM	Simple measurement of scale	S$80 billion – S$90 billion

1 KPIs are measured on a five-year cumulative basis.
2 Measured on Mapletree Investment's balance sheet perspective (excluding REITs and private funds).

1089 E Mill, San Bernadino, California, the United States

Mapletree's Singapore Investments business unit oversees a portfolio of commercial real estate assets in Singapore that are held directly by the Group.

As at 31 March 2019, the business unit owned and managed about S$3.5 billion in assets. It contributed S$186.1 million and S$1 million to the Group's EBIT + SOA[1] and fee income respectively in FY18/19.

Mapletree directly owns and manages the following assets:

- Mapletree Business City II (MBC II)
- HarbourFront Centre
- HarbourFront Tower One
- HarbourFront Tower Two
- St James Power Station
- PSA Vista
- 18 Tai Seng[2]

Set in lush greenery, the vitality of Alexandra Precinct was increased through place-making initiatives and tenant engagement at MBC II

REJUVENATING A PRECINCT

MBC II continues to appeal to leading global companies with its premium specifications, generous community space, attractive amenities and lush greenery. Committed occupancy for MBC II reached 99% as at 31 March 2019.

Further place-making initiatives to enhance its position include a running trail through HortPark introduced in the third quarter of FY18/19, offering fitness enthusiasts another option to stay fit. Aside from introducing amenities and physical improvements, Mapletree also made efforts to increase the vitality of the precinct and promote tenant engagement. In FY18/19, these efforts included curated events such as farmer's markets, art tours and festive celebrations, as well as complementing ongoing programmes organised by Mapletree, including futsal matches, art performances, lunchtime health talks and fitness sessions.

DIVESTING A QUALITY ASSET

18 Tai Seng[2] is a mixed-use development including Business 2 (B2) industrial, retail and office components. The supermarket, retail as well as food and beverage tenants continue to contribute vibrancy to the Tai Seng Precinct. Meanwhile, the underground link connecting the

Elliptical Pavillion (2017) by Dan Graham is one of the art installations displayed around MBC II, as part of a collaboration between Mapletree and NTU CCA Singapore

development to Tai Seng MRT station serves as an important convenience for tenants and the working population at Paya Lebar iPark.

In FY18/19, new tenants such as Schaeffler and Michael Page started operations at 18 Tai Seng[2], joining key tenants Sivantos, Silicon Laboratories, AES Global and Williams-Sonoma. This brought overall committed occupancy at the development to 94.3% at the end of January 2019.

The quality of 18 Tai Seng[2], its location and tenant profile made the development an attractive acquisition target for Mapletree Industrial Trust (MIT), one of Mapletree's real estate investment trusts. Mapletree divested the asset to MIT on 1 February 2019.

NEW LIFE FOR A NATIONAL MONUMENT

With rejuvenation of the Alexandra Precinct completed, the focus of value-creation initiatives shifted to the HarbourFront Precinct.

The expiry of the long-term lease at St James Power Station for an entertainment complex offers a timely opportunity to explore adaptive re-use of the National Monument to activate the asset and align it with the new Greater Southern Waterfront Masterplan.

Addition and alteration works to convert the monument for new commercial use have commenced. This will be the first phase of rejuvenation plans for the HarbourFront Precinct. St James Power Station, Singapore's first coal-powered power station, was built in 1927 and was in operation for almost 50 years before its decommissioning in 1976. The building underwent restoration between 2004 and 2006, and the National Heritage Board recognised Mapletree's restoration efforts by gazetting St James Power Station as a National Monument in 2009. The current works will also include a second round of restoration works to the façade and key elements of the interior.

Over at the former site of the SPI Building, to prepare the site for new development plans, land reclamation has started and is expected to be completed in FY19/20.

Planning permission for the residential site at King's Dock has been obtained and further design development works are in progress.

MARKET REVIEW AND OUTLOOK

According to the Ministry of Trade and Industry's advance estimates, the Singapore economy grew by 1.3% year-on-year (y-o-y) in Q1 2019, a moderation from the 1.9% growth in Q4 2018. Growth is anticipated to be between 1.5% and 3.5% in 2019.

While positive, retail sales growth has slowed to 1.1% in 2018 from 1.8% in 2017, with the retail rental market showing signs of stabilisation in 2018 after a prolonged period of rental correction since 2015. Average islandwide prime rents increased by 1.2% y-o-y in 2018, largely driven by better performing malls supported by strong locational attributes. Moving forward, with the tightening labour policies and uncertain global economic outlook, the retail market is expected to remain muted.

In the office market, Grade A core central business district and Grade B islandwide rents rose 3.2% and 3% quarter-on-quarter respectively. This marked the seventh consecutive quarter that rents had risen, driven by tightening vacancy and a tapering pipeline. With the moderating economic outlook, growth in Grade A office rents is expected to continue at a slower pace driven by the limited supply in 2019.

With the limited availability of quality business park space and no notable multi-user space for lease completing in 2019, the divergence between the two tiers of the business park market remains. The outlook for modern business parks in the City Fringe submarket remains positive while older business park developments in the Rest of Island submarket will continue to face challenges in attracting and retaining tenants.

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

2 18 Tai Seng was divested to MIT on 1 February 2019.

References:

i. Ministry of Trade and Industry, Singapore

ii. CBRE Research Singapore Real Estate Market Outlook 2019

iii. URA REALIS

OPERATIONS REVIEW
LOGISTICS DEVELOPMENT

Mapletree's Logistics Development business unit develops and manages the Group's greenfield logistics projects. At present, the business unit oversees a strong portfolio of 65 logistics facilities across China, Malaysia and Vietnam.

As at 31 March 2019, the portfolio of the business unit was valued at S$2 billion. In FY18/19, the business unit contributed EBIT + SOA[1] of S$14 million.

Mapletree Fengdong (Xi'an) Industrial Park is one of the 11 China logistics properties that Mapletree and MLT entered into a 50:50 JV in June 2018

CHINA

Mapletree has invested in logistics developments in 43 Chinese cities to date, with a total net lettable area of 4.4 million square metres (sqm). In FY18/19, Mapletree signed 25 investment agreements with a total value of S$1,547 million and acquired 18 development sites for a total of S$976 million.

Mapletree entered into a 50:50 joint venture (JV) with Mapletree Logistics Trust (MLT) in June 2018 in 11 China logistics properties, for a consideration of RMB 1 billion (~S$202.1 million). These proceeds will be reinvested in other high-quality warehouse projects in key logistics hubs in China.

Mapletree's development strategy includes establishing strong partnerships with key Chinese logistics users as they expand beyond China. To strengthen its logistics network, Mapletree signed a memorandum of understanding for strategic cooperation with Chinese delivery services provider SF Express and Alibaba's logistics arm Cainiao in April and May 2018 respectively.

MALAYSIA

Mapletree Logistics Hub – Shah Alam, which was completed in March 2018, achieved full occupancy in FY18/19. The Grade A logistics facility has a total gross floor area (GFA) of 213,130 sqm comprising three blocks of three-storey ramp-up, multi-tenanted logistics and warehousing facilities. Located in a prime warehousing area serving Greater Kuala Lumpur, its key tenants include Southeast Asia's leading e-commerce players.

Development of Mapletree Logistics Hub – Tanjung Pelepas, Iskandar concluded in November 2018. The approximately 134,000 sqm Grade A facility consists of one single-storey warehouse block and two blocks of two-storey ramp-up warehouses. Located in the Port of Tanjung Pelepas, a fast-growing transhipment hub in the region, and highly accessible via road and rail connections to Singapore and southern Thailand, the property has attracted strong leasing demand from consumer goods companies looking to set up regional distribution centres.

VIETNAM

Two new projects, Mapletree Logistics Park Binh Duong Phase 3 (MLPP3) and Mapletree Logistics Park Bac Ninh Phase 3 (MLPBN3), have been well received by existing tenants and new customers. Both properties are designed with Grade A building specifications to support the growing demand for modern warehousing facilities in Vietnam.

Completed in August 2018, MLPP3 comprises four warehouse blocks spanning a total GFA of 61,880 sqm. Occupancy was at 100% as at 31 March 2019. Construction of MLPBN3 commenced in May 2018 and was completed in May 2019. With a total GFA of 47,732 sqm, MLPBN3 has secured strong leasing pre-commitment from both end-users and third-party logistics (3PL) companies for their expansion in Bac Ninh.

Meanwhile, Mapletree Logistics Park Bac Ninh Phase 2 and Mapletree Logistics Park Binh Duong Phase 1 continued to enjoy 100% occupancy in FY18/19.

MARKET REVIEW AND OUTLOOK

China

China's premium warehouse space soared to approximately 51 million sqm by the end of 2018. Nationwide, the average rental rose by 5.6% year-on-year. Online retail, 3PL and manufacturing led the demand for high-quality warehousing.

Tier 1 cities and their satellite areas, along with Tier 2 and provincial capital cities are attractive for logistics developers. However, the land supply allocated for logistics usage has become tighter and challenging to obtain in these cities. In addition, e-commerce giants, including Cainiao and JD, are building their own warehouses and facilities, putting pressure on the market vacancy rate and competing with logistics developers.

In December 2018, the Chinese government released a plan aimed at encouraging the establishment of 150 logistics hubs by 2025, to improve logistics efficiency and reduce costs.

Mapletree Logistics Hub – Shah Alam, which was completed in March 2018, achieved full occupancy in FY18/19

Despite uncertainty over United States-China trade tensions, China's economy is expected to remain positive in the long term, with consumption as the key driver.

Malaysia

The Malaysian economy grew at a more moderate pace of 4.7% in 2018, down from the 5.9% recorded in 2017. This was due to lower government development expenditure and weaker global demand for Malaysia's commodities.

Despite softer economic growth, private consumption remains robust and a key driver of the Malaysian economy. This has led to strong demand for warehouses especially in the prime area of the Klang Valley. The rise of e-commerce has also lifted demand for high-quality warehouses, due to the expanding courier, express and parcels and last-mile delivery segments.

Overall occupancy in the Klang Valley is 98%, with about 52,954 sqm of vacant space mostly in sub-prime areas. Rental rates range from RM1 to RM2 per square feet per month depending on location and specifications.

The outlook for Malaysia's logistics property sector continues to be positive, supported by resilient demand from the fast-moving consumer goods sector and the booming e-commerce sector. The supply of quality logistics facilities is expected to increase but remains relatively tight. Occupancy rates are likely to persist at healthy levels with rental rates seeing steady growth.

Vietnam

Vietnam's economy expanded by 7.1% in 2018, its fastest pace since 2007, up from 6.8% in 2017. Total foreign direct investment inflow totalled US$35.5 billion in 2018, comparable to the 10-year high of US$35.9 billion achieved in 2017. The economy is projected to maintain its momentum, with 6.8% gross domestic product growth forecast for 2019.

The ongoing United States-China trade tensions have benefitted Vietnam. China-based manufacturers, including foreign multinational producers, have begun to move certain high-margin industrial operations to Vietnam. In view of the increasing manufacturing activity as well as the booming e-commerce and retail markets, demand for warehouse space is likely to be sustained. Existing developers and new market entrants are expected to add to the supply of warehouse space.

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

References:

i. General Statistics Office of Vietnam

ii. Ministry of Planning and Investment of Vietnam

iii. Asian Development Bank

iv. 2018 Q4 Logistics Report, Cushman & Wakefield

v. Bank Negara Malaysia

vi. Jones Lang Wootton, March 2019

OPERATIONS REVIEW
CHINA AND INDIA

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 2019, the business units accounted for S$2.6 billion of the Group's total assets under management. In FY18/19, the business units' combined EBIT + SOA[1] was S$89 million, while fee income contributions were S$100.1 million.

NBC 4 launched six residential blocks for sale and fully operated the Education Zone

CHINA

Mapletree Business City Shanghai and the adjoining VivoCity Shanghai mall were divested in November 2018, as part of the investment strategies of MIC Fund and MCOF II to realise profits for their investors.

Following completion of construction, the occupancy permit for Phase 2 of Nanhai Business City Phase 4 (NBC 4) was issued in August 2018. Since last November, six residential blocks have been launched for sale, of which 81% of the gross floor area (GFA) has been sold as at 31 March 2019. The NBC 4 Education Zone is fully operational.

The occupancy permit for Phase 1 (residential and streetshops) of Mapletree Ningbo Mixed-Use Development was obtained in May 2019. Sub-structures for Phase 2 (retail mall) and Phase 3 (medical centre) were completed in January 2019, with topping out scheduled to take place in mid-2019. Nine residential blocks have been launched for sale since July 2016 and 88% of the GFA has been sold as at 31 March 2019. The first batch of residential buyers were scheduled to receive their keys in June 2019.

Arca Building in Beijing continued to enjoy full occupancy. With effect from 1 January 2019, Mapletree receives a 14% increase in the property management fee.

In November 2018, Mapletree signed the agreement to acquire a Grade A office building in Guangzhou through Forward Purchase Agreement. Located in the emerging business area and scheduled for completion by 2020, the property has a GFA of 108,849 square metres (sqm) designated for technology, media and telecommunications (TMT) and e-commerce companies.

In December 2018, Mapletree acquired a newly completed Grade A office building in Beijing. The asset, with a GFA of 51,234.8 sqm, caters to the need for quality office spaces from financial institutions, Fintech firms and professional service companies.

INDIA

Mapletree's maiden property in India, Global Technology Park (GTP) in Bengaluru, continues to receive leasing interest from quality tenants. To enhance the appeal of GTP, new amenities such as food and beverage outlets and a childcare centre were added. GTP also secured key tenants including a large accounting firm, a research and development centre of a semiconductor corporation, and a co-working operator in the same year. Current committed occupancy is 88% of the 173,787-sqm of net lettable area, which includes approximately 17% that was vacated and immediately leased to cater for the expansion requirements of GTP tenants and the wider market. There is strong demand from international quality tenants for the remaining space at GTP.

Mapletree acquired its second asset in India, a 252,403 sqm IT office park in Chennai in November 2018 and rebranded it to Global Infocity Park Chennai

Adding to Mapletree's footprint in India is a 252,403 sqm IT office park in Chennai acquired in November 2018. Upon acquisition, the Group rebranded the property as Global Infocity Park Chennai (Global Infocity) and unveiled a new property logo. The transaction is the largest acquisition made by Mapletree in India to date. In addition, Global Infocity enjoys 99.5% occupancy and a 99% tenant retention rate. This property is in close proximity to the city centre, established transport nodes and social infrastructure.

A Forward Purchase acquisition was also executed for a 95,040 sqm Grade A IT park in Bengaluru, which is expected to be handed over to Mapletree in 2021/22.

MARKET REVIEW AND OUTLOOK

China

China's economy expanded by 6.6% in 2018. Although the national deleveraging campaign dampened acquisition activity by domestic investors, offshore investors filled the void. The en-bloc commercial property market remained active. Consequently, Shanghai, the biggest institutional investment market in the country, recorded a transaction volume of over RMB100 billion for the year. This was lower as compared to 2017 especially the growth rates in the fourth quarter.

However, yields remain tight because of offshore investor confidence. Notwithstanding short-term softening of rentals due to new supply, quality assets continue to attract longer-term value investors.

Recent government investments focus on technology, connectivity and creativity such as artificial intelligence and 5G networks, which will boost demand for office and business park space. This is already evident in the robust expansion of domestic TMT firms.

Fluctuations in the residential market in 2018 were mainly driven by the sustained curbing policy. Sentiment has started to stabilise as the policy focus has shifted to control based on local conditions, coupled with the loosening household registration policy among Tier 2 cities.

China's economic growth plan for 2019 includes more fiscal stimulus through local government bonds and tax cuts. The central bank also introduced a new monetary policy tool to offer lower interest rates to private enterprises as well as small and medium sized enterprises. Aimed at supporting the weakest part of the economy and preventing a series of defaults, this initiative signals some flexibility in the government's generally prudent monetary policy.

India

The Indian economy continues to be one of the strongest performers in the world, registering growth of 7.3% in FY18/19, up from 6.7% the previous year. The increase was driven mainly by the agricultural and manufacturing sectors, as well as an upswing in domestic demand and investments amid GST harmonisation. The World Bank forecasts 7.5% growth in the coming two financial years.

Inflation dropped to 2.2% in December 2018, mainly due to lower oil prices. This was also the fifth consecutive month in which the rate was lower than the 4% target of the Indian central bank (RBI), undermining the case for further interest rate hikes in the near term.

The country's current account deficit (CAD) widened to 2.9% of GDP in the quarter ending December 2018 but is expected to narrow to 2.3% by the end of the financial year. The CAD is expected to stabilise in the coming year at RBI's threshold of 2%, owing to lower oil prices and steady inflows of foreign direct investment (FDI). The government has lifted FDI restrictions on the single-brand retail, real estate, aviation and medical sectors to varying degrees, with gradual liberalisation of other sectors likely to follow.

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

References:

i. China National Bureau of Statistics

ii. Ministry of Statistics and Program Implementation, India

iii. CEIC

iv. Capital Economics

v. International Monetary Fund

OPERATIONS REVIEW
SOUTH EAST ASIA

The South East Asia (SEA) business unit develops, acquires and manages income-yielding properties in the region (outside of Singapore), with the aim of building a scalable capital management platform that has sustainable returns.

SEA generates income for the Group through its portfolio of operating assets, as well as through various investment and fund management activities including real estate funds, mezzanine interest income, development profits and divestment gains.

In FY18/19, SEA contributed S$84.5 million and S$0.3 million to the Group's EBIT + SOA[1] and fee income respectively. As at 31 March 2019, Mapletree owns and manages S$1.4 billion worth of assets in SEA.

An artist's impression of V Plaza (centre, behind SC VivoCity) which comprises two blocks of 27-storey Grade A office building

VIETNAM

The 237-unit Oakwood Residence Saigon was officially opened by Singapore's then Deputy Prime Minister Teo Chee Hean on 25 March 2019. Together with the adjoining residential tower RichLane Residences, this constitutes the third phase of Saigon South Place, a 4.4-hectare mixed-use development in District 7 of Ho Chi Minh City (HCMC). Plans for the fourth phase, V Plaza, were also unveiled. With a gross floor area of 105,000 square metres (sqm), V Plaza will comprise two 27-storey Grade A office towers.

Mapletree capitalised on the strong market conditions in HCMC to improve occupancy rates for its Grade A office properties. mPlaza Saigon, located in District 1 of HCMC, continued to retain many blue-chip tenants and also attracted new reputable international tenants, securing occupancy rates exceeding 95% for its office segment during the year. The asset enhancement initiative (AEI) for the retail podium was completed, and several established international food brands were secured as anchor tenants. Meanwhile, CentrePoint, another office building, successfully retained many of its anchor international tenants including Capgemini, HSBC, Li & Fung, and successfully maintained its more than 95% occupancy for FY18/19.

The high-quality specifications of Mapletree Business Centre in District 7 of HCMC attracted international anchor tenants such as Standard Chartered Bank, Grab, Cargill and 3M. Occupancy in the office building exceeded 95%, with the average rental rate increasing by 6% from the previous year.

On the residential front, close to 500 units launched at One Verandah in District 2 of HCMC were fully taken up within six months, at prices in the upper range of the market. Construction commenced on schedule and is ongoing.

Mapletree Business City @ Binh Duong achieved stabilised occupancy for all its operating ready-built factories. Construction of the new Build-to-Suit factory for a multinational tenant was successfully completed in February 2019.

SC VivoCity continued to draw more shoppers to the mall with a 5% year-on-year (y-o-y) increase in footfall. New international brands, including Under Armour and Huawei, were also recently added to the tenant mix.

MALAYSIA

Mapletree provides mezzanine loan financing for three residential projects in Kuala Lumpur and Selangor. One of the projects, 28 BLVD, located in Pandan Perdana, Selangor, obtained Certificate of Completion and Compliance on 1 April 2019. The project is almost fully sold.

MARKET REVIEW AND OUTLOOK

Vietnam

In 2018, Vietnam's economy grew by 7.1%, the highest rate in 10 years. Recent trade agreements that came into effect include the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and EU-Vietnam Free Trade Agreement, which have helped further strengthen the economy.

The consumer price index rose by 3% during the year, within the government's threshold of 4%.

Although newly registered foreign direct investment (FDI) declined by 1.2% to US$35.5 billion, disbursed FDI grew by 9.1%. In particular, foreign investors continued to invest in the real estate, manufacturing and processing sectors of Vietnam.

HCMC saw 3,600 sqm of new Grade B office space in 2018, but there was no new Grade A supply. Consequently, Grade A office occupancy tightened to 94.9%. In 2018, Grade A office rental increased by 15.8% to US$43.48 per square metre per month (psm/mth), while Grade B office rental grew by 10.8% to US$23.42 psm/mth. Notably, demand from co-working spaces continued to increase. Future supply for the Grade A office segment is estimated to be 77,936 sqm in 2019 and 2020.

In the HCMC residential market, a total of 30,792 new units were launched in 2018, a 1% decline y-o-y from 31,106 units in 2017. On a y-o-y basis, both the mid-range and affordable segments contracted, accounting for 52.8% and 2.4% of 2018's total supply respectively. Supply in the luxury and high-end segments increased by 1% and 8.8% respectively with projects mainly located in District 1 and District 2. Prices continued to rise, with the high-end segment increasing slightly by 0.2% to US$2,195 psm, and the mid-range segment rising 1.3% to US$1,158 psm.

Mapletree completed the AEI of mPlaza Saigon's retail podium and secured international restaurant chains as anchor tenants

In Hanoi, no new Grade A office supply came into the market. Rents rose 1.8% y-o-y to US$31.2 psm/mth, with an accompanying increase in occupancy to 95.7%. Future supply for Grade A office is estimated at 114,554 sqm of net lettable area in 2019 and 2020.

Malaysia

In Malaysia, growth slowed to 4.7% in 2018 from 5.9% in 2017, as efforts to reduce public sector debt resulted in lower public investment. The medium-term outlook remains favourable, although downside risks remain due to external factors like the United States-China trade war and volatility in the global financial and commodity markets.

The retail space remains challenging because of rising supply and competition from e-commerce. An additional 1 million sqm of retail space is expected to come on stream by 2020. Meanwhile, retail sales volume is projected to grow by 4.5% in 2019, as compared with 4.7% in 2018.

With sentiment improving, Kuala Lumpur's prime housing prices are holding firm. The slight upward revision in stamp duty and real property gains taxes are unlikely to have a significant impact, although the growing mismatch in supply and demand coupled with rising financing costs will continue to impinge on price growth. Meanwhile, the waiver of stamp duty on certain residential property transactions for a limited time is expected to provide momentum in 2019 and beyond.

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

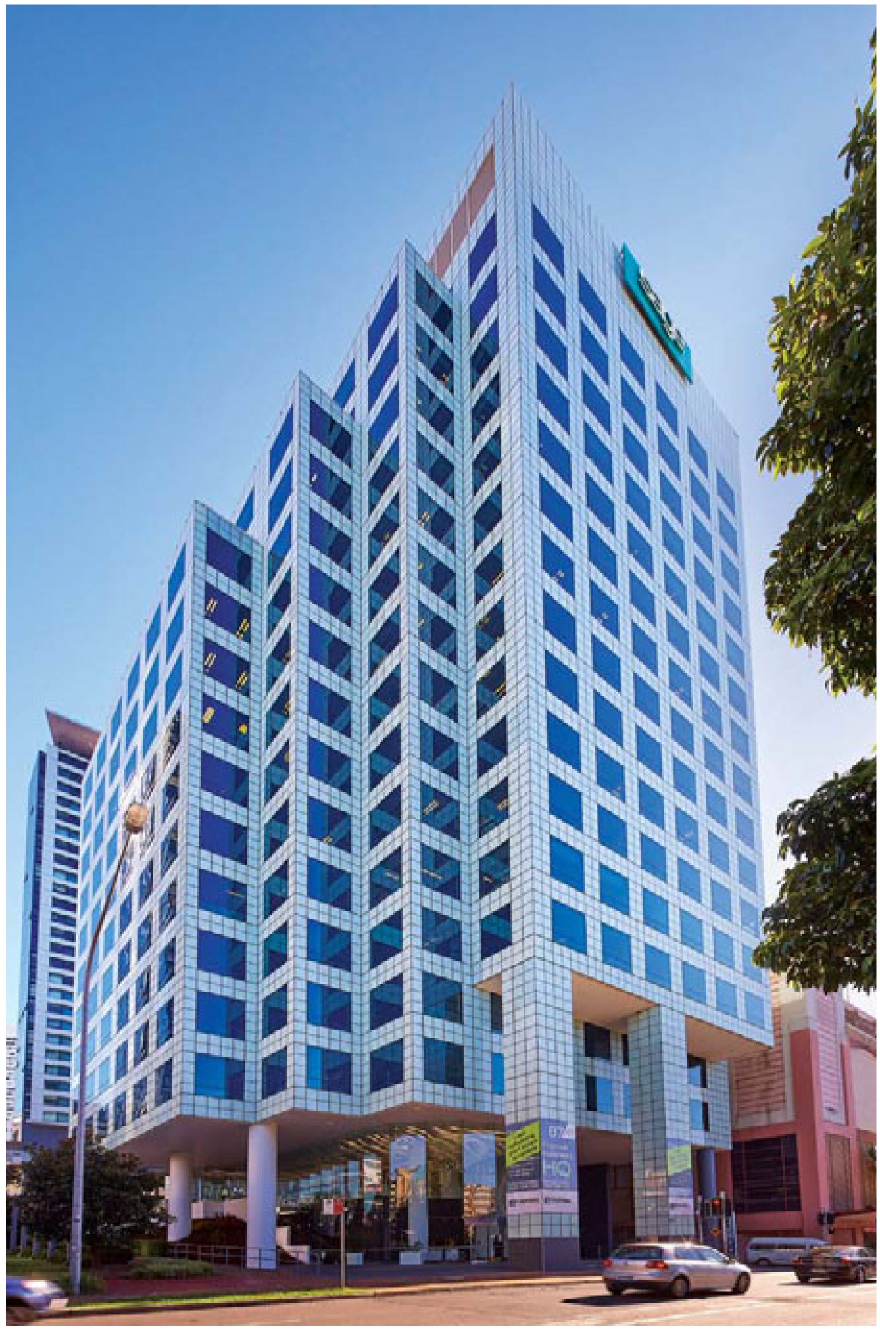
References:

i. Ministry of Planning and Investment, General Statistics Office of Vietnam
ii. CBRE Vietnam – Vietnam Market Q4 2018 Report
iii. International Monetary Fund
iv. The World Bank
v. Retail Group Malaysia

OPERATIONS REVIEW
AUSTRALIA-NEW ZEALAND, NORTH ASIA AND OAKWOOD

The Australia-New Zealand, North Asia and Oakwood[1] business unit focuses on deepening Mapletree's business in Australia, Hong Kong SAR and Japan, exploring opportunities in new real estate asset classes in these countries, and managing the lodging business of the Group globally.

The business unit also includes two Japan-focused private equity funds, MJOF and MJLD. With owned and managed assets of S$5.8 billion (excluding Oakwood)[1] as at 31 March 2019, the business unit contributed S$150.1 million to the Group's EBIT + SOA[2], and S$98.5 million in fee income in FY18/19.



Mapletree acquired 67 Albert Avenue, a 15-storey multi-tenanted office tower located in Chatswood, Australia

AUSTRALIA

Mapletree added 67 Albert Avenue to its growing portfolio of office properties in major Australian cities.

Located in Chatswood, a major North Shore office market in Sydney, the 15-storey multi-tenanted office tower features 14,756 square metres (sqm) of net lettable area with Grade A specifications. The asset is currently 97% occupied and its major tenants include Westpac, Du Pont, Sentral and various Government bodies. The asset is in close proximity to Chatswood's train and bus interchange, and two major shopping centres – Chatswood Chase Sydney and and Westfield Chatswood. The acquisition was completed in April 2019.

With this property, the portfolio of Australia office assets is being structured for syndication as an office fund in FY19/20.

HONG KONG SAR

Following its completion in March 2018, Mapletree Bay Point, in Kowloon East, was awarded LEED Gold certification for Core & Shell Development in November 2018. Tenants from the banking and finance, consultancy and services sectors have been secured for the property, with an overall committed occupancy rate of 70%.

In December 2018, Mapletree entered a sales and purchase agreement to divest Mapletree Bay Point in Kowloon East and this was subsequently completed in May 2019.

JAPAN

MJOF was fully divested in March 2019. Out of the total 10 assets, a portfolio of six freehold office assets in Greater Tokyo, Japan, were divested to Mapletree North Asia Commercial Trust[3] at a price of JPY 63,304 million (~S$770.6 million) on 25 May 2018.

For the remaining four assets, OTA Techno Core, GA Tama Building and Shinagawa Seaside Tower were successfully divested in October 2018, while mBay Point Makuhari was divested in March 2019.

MARKET REVIEW AND OUTLOOK

Australia
The Australian office sector recorded transaction volumes of A$19.53 billion in 2018, the highest annual volume registered. However, the number of transactions was lower than previous years with the top 10 transactions representing 43.9% of total volume.

Prime yields across most Sydney and Melbourne office markets have reached new benchmarks. The spread between yield and the risk-free rate has compressed but is at a level normally associated with above-trend rental growth.

The Australian central business district office market vacancy rate dipped to 8.6% in 2018, the lowest level since Q3 2012. Vacancy rates, especially for prime grade assets, are low and rents are moving upwards across the Sydney and Melbourne office markets. Tangible signs of recovery are evident in Brisbane, Adelaide and Perth, and leasing incentives are expected to moderate in the next two years, which will stimulate rental growth.

Hong Kong SAR
Economic growth in Hong Kong SAR slowed in the second half of 2018 because of the United States-China trade tensions and other unfavourable conditions. Sentiment for the property sector was also affected by reduced demand from Chinese buyers, leading to muted investment activities. Looking ahead, global economic growth is expected to moderate due to external factors such as continued trade tensions and Brexit. The Hong Kong SAR economy is projected to expand by 2% to 3% in 2019, as compared with 3% in 2018. As such, there may be continuing downward pressure on property prices and rents.

Japan
Japan has seen an extended period of gross domestic product growth, and it is expected to remain at about 1.1%.

Commercial real estate transaction volumes fell by 27% year-on-year to JPY3 trillion in 2018 due to fewer large deals. However, the market remained robust on the back of healthy corporate profits, low unemployment and strong pre-leasing activity. As at Q4 2018, the All-Grade vacancy rate was at a historical low of 0.8%.

With limited existing supply, tenants seeking to consolidate or upgrade are focusing on the new supply (c. 500,000 tsubo) coming onto the market over the next two years. As at December 2018, the pre-lease ratio was 80% for 2019 completions, and about 30% for 2020 completions. Grade A office rents are projected to rise by 0.3% over the next year.

1 Oakwood is detailed in the Operations Review – Oakwood section.

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

3 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

References:

i. The Government of the Hong Kong Special Administrative Region, CBRE and Cushman & Wakefield

ii. Organisation for Economic Co-operation and Development

iii. Savills Japan Office Report Q4 2018

iv. CBRE Marketview Japan Offices Q4 2018

v. Jones Lang LaSalle – Office Investment Review and Outlook 2019

OPERATIONS REVIEW
EUROPE AND USA

Mapletree's Europe and USA (EUSA) business unit evaluates, acquires and manages assets in a range of real estate sectors. These include commercial, logistics, lodging (student accommodation and multi-family) and data centre (60% interest through the joint venture (JV) with Mapletree Industrial Trust) assets. EUSA's mandate is focused on broadening and deepening Mapletree's exposure beyond the Asia-Pacific region, by investing in new and existing asset classes across key gateway cities in Europe, the United Kingdom (UK) and the United States (US).

With owned and managed assets of S$13 billion as at 31 March 2019, the business unit contributed S$428.8 million to the Group's EBIT + SOA[1], and S$12.1 million in fee income in FY18/19.

3 Hardman Street is a 16-storey Grade A office asset in Manchester's premier business district

LOGISTICS

Mapletree marked its first foray into the US logistics sector in April 2018, consistent with the Group's mandate to broaden and diversify revenue streams in developed markets. Building on this momentum, Mapletree subsequently acquired a series of pan-US and European logistics portfolios in October 2018, December 2018 and March 2019, assembling a one-of-a-kind portfolio in about 12 months. These landmark transactions feature well-located assets that enjoy good connectivity to transportation nodes as well as robust demand for logistics space, from industries such as e-commerce, third-party logistics and consumer products. Today, the business unit has a significant logistics presence in 26 US states and 20 European cities across seven European countries.

In line with Mapletree's aim of building scalable capital management platforms, Mapletree syndicated the Mapletree US & Europe Logistics Private Trust (MUSEL) in March 2019 with US$1.8 billion (~S$2.44 billion) in equity. The trust provides investors with a unique opportunity to invest in a well-diversified portfolio of high-quality logistics properties, while enjoying an attractive total return and cash yield.

On the back of this significant growth, the business unit has expanded its presence across five offices in the US, including the local head office in New York. In Europe, the Group established offices in Amsterdam and Warsaw to complement its UK headquarters in London.

COMMERCIAL

Mapletree continues to explore cities, where growth is underpinned by technology, pharmaceutical, life sciences and other specific growth drivers (e.g. In Europe, Dublin has the fastest growth in technology worker population and Warsaw is the largest business processes outsourcing centre).

In May 2018, Mapletree embarked on its first commercial asset enhancement initiative (AEI) which

MUSEL invested in a portfolio of high-quality logistics properties in the US and Europe.
1089 E. Mill, San Bernardino, California is a distribution warehouse located in the US

was completed at 250 South Oak Way, Green Park (a leading UK business park Mapletree acquired in 2016). The AEI involved increasing the visibility of the entrance and breakout areas to promote the building's identity. Grade A offices at 400 and 450 Longwater Avenue in Green Park, at approximately 21,000 square metres, also commenced construction. The development is targeted to be completed in 2020.

STUDENT ACCOMMODATION

Investing into this resilient sector to generate recurring income, Mapletree has grown its student accommodation portfolio to 48 assets with approximately 21,000 beds located across 33 cities in the UK and the US. Including projects under development, total assets under management (AUM) amount to approximately S$3.2 billion.

The Mapletree Global Student Accommodation Private Trust (MGSA) is a total return fund with 25 assets in the UK and 10 assets in the US, with total AUM of approximately S$2 billion. As fund manager, EUSA is enhancing the operational and financial performances of the portfolio as well as improving residents' experience.

During the year, Mapletree acquired a newly built student housing asset in the UK and two development projects in the UK and the US. The addition of these assets will expand our student housing platform globally.

In November 2018, Mapletree acquired Pablo Fanque House, a 244-bed newly built student housing asset located in Norwich's city centre. It is also close to the University of East Anglia, with which it has a long-term nomination agreement. In May 2018, Mapletree entered into a forward funding acquisition project to develop a 452-bed student housing asset, Cottages@Westwood, in the UK. Scheduled to be completed in Q4 2019, this will be the nearest private purpose-built student accommodation to the University of Warwick.

In the US, Mapletree entered into a JV to develop a 513-bed accommodation within the University of Pennsylvania campus in June 2018. Construction is expected to be completed in Q2 2020.

MARKET REVIEW AND OUTLOOK

The European economy is benefitting from improving labour market conditions, low financing costs and a slightly expansionary fiscal policy which should allow moderate economic growth to continue. Reflecting a weaker last quarter of 2018, economic growth in 2019 for the Eurozone has been revised down to 1.3%. In 2020, economic growth is expected to increase slightly to 1.6% A sharp drop in energy prices caused headline inflation to decline at the end of 2018, with inflation likely to remain subdued at 1.4% in 2019 with a gradual pick-up in 2020. Interest rates are likely to remain stable.

Although late cycle, the economic outlook for the US remains robust. Growth is forecast to be 2.7% in 2019, reflecting strong employment growth alongside consumer and business confidence reaching all time highs. This economic activity is likely to lead to moderate interest rate rises. Economic risks include wage growth and higher import prices due to tariffs. If markets re-evaluate inflation risk, bond rates will rise more sharply than expected, leading to further pressure on interest rates and reduced foreign capital inflows.

Despite real estate investment volumes holding up well in the UK in 2018, the UK economy may under perform the Eurozone given on-going uncertainty surrounding the implementation details of Brexit.

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

References:

i. CBRE 2019 US Outlook

ii. JLL Investment Outlook, US

iii. European Commission, European Economic Forecast (February 2019)

iv. ULI Emerging Trends in Real Estate 2019, Europe

OPERATIONS REVIEW
OAKWOOD

Oakwood® is the leading global accommodation solutions provider for the world's largest businesses, governments, and individual travellers. The award-winning company offers an extensive and flexible selection of move-in ready furnished and serviced apartments as well as end-to-end programme management for clients.

Oakwood is the operating arm of Mapletree in the area of corporate housing/ serviced apartment business.

The focus in the short term is to consolidate the Group's market leadership worldwide and increase the management of more serviced residences to accommodate the lodging needs of Oakwood's guests globally.

Oakwood Hotel and Residence Surabaya is Oakwood's third property in Indonesia, which offers 144 hotel rooms and fully furnished serviced apartments

Fully owned by Mapletree since February 2017, Oakwood is a key part of the Group's expansion in the corporate lodging sector. It provides access to more than 20,000 apartments, including a growing portfolio of Oakwood-branded and managed properties. Oakwood operates out of three headquarters, namely, Los Angeles, London and Singapore, covering the Americas, Europe and Asia-Pacific regions respectively.

Oakwood's managed assets include a portfolio of 55 Oakwood-branded properties, of which 15 are owned by Mapletree and 40 are owned by third parties. Geographically, 12 of the properties are located in the United States (US) and 43 are in Asia.

In FY18/19, the average occupancy of Oakwood's managed assets was 88%, up from 86% the previous year. Guests registered more than 3.5 million room nights during the year, with the average daily rate increasing by 4%, from US$150 (~S$203) to US$156 (~S$212).

NEW OPENINGS AND ACQUISITIONS

Oakwood continued to extend its footprint worldwide, particularly in Asia-Pacific, with the opening of the following properties in FY18/19:

- Oakwood Residence Saigon, a Mapletree-owned property in Ho Chi Minh City (HCMC), Vietnam (237 apartments)
- Oakwood Residence Shinagawa, Tokyo, in Japan (100 apartments, increasing to 202 apartments by 2020)
- Oakwood Apartments Nishi-Shinjuku, Tokyo in Japan (40 apartments)
- Oakwood Hotel & Apartments Shin-Osaka in Osaka, Japan (185 apartments)
- Oakwood Apartments Yangzhou in Jiangsu, China (144 apartments)

- Oakwood Hotel & Residence Surabaya in Java, Indonesia (144 apartments)

During the year, Mapletree also acquired the following which are managed by Oakwood:

- Oakwood Chicago River North in Illinois, the US (188 apartments)
- Oakwood Arlington in Virginia, the US (184 apartments)

STRENGTHENING BUSINESS DEVELOPMENT

Oakwood continues its impressive growth in Asia-Pacific managing over 40 operating properties. In addition to the new properties opening in Cambodia, Myanmar and the Philippines, Oakwood signed its second Australia property in Melbourne's city of Dandenong and entered into a strategic partnership with Boutique Corporation to grow Oakwood-branded properties in Thailand.

Mapletree-owned Oakwood branded operational properties in HCMC and Tokyo have been performing well with the latter having obtained approval to take in short-stay as the minimum stay requirement in Tokyo has recently been relaxed. The Oakwood in Yokohama, which is currently under development, remains on-track for a 2020 opening.

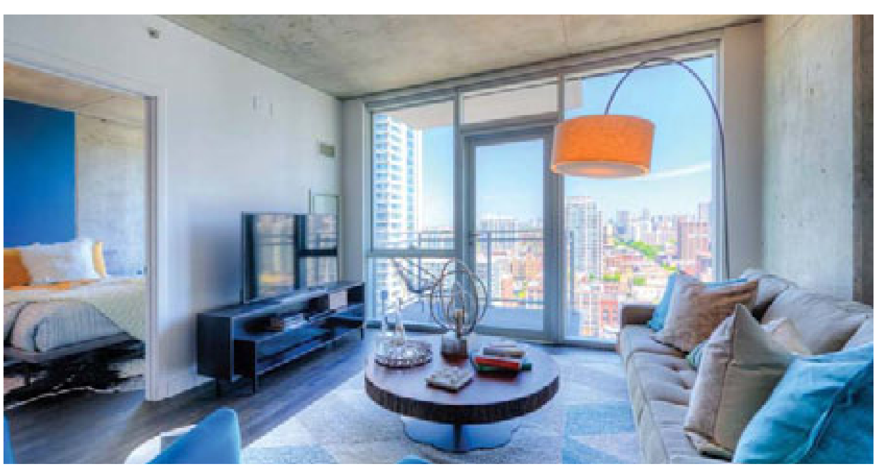
On the business development front, the Oakwood team capitalised on speaking opportunities and exposure at international hospitality trade shows and conventions to increase networking and marketing opportunities.

In Asia-Pacific, on-the-ground resources were increased to build a pipeline of prospective new deals. Similarly, a pipeline of projects is being developed across Europe and the Middle East as Oakwood prepares for a significant expansion in those markets. In the Americas, Oakwood is commencing the management of more assets either on a fee-managed or franchise basis.

In Singapore, The Oakwood Showroom was launched at HarbourFront Tower One in January 2019. Representing Oakwood's vision of the next generation of serviced apartments, the showroom will serve as a test bed for new building materials and technology. Key partners collaborating on this include ASSA ABLOY, Bang & Olufsen, Electrolux, Equal Strategy, Honeywell, La Bottega, LIXIL (GROHE, INAX), Luzerne, Nespresso, Samsung and Serta.

AWARDS

- 2019 and 2018 Top 5 Serviced Residence Brands by DestinAsian Readers' Choice Awards
- 2019 Tower of Excellence Award for Most Creative Marketing (more than US$49 million revenue) by Corporate Housing Providers Association (CHPA)
- 2019 Best Property (71+ units) for Oakwood Premier OUE Singapore by the Serviced Apartment Awards
- 2018 Serviced Apartment Corporate Account Management Award by Association of Serviced Apartment Providers (ASAP)
- 2018 Global Network Commitment to Excellence (Gold) Award by CARTUS Global Network



Mapletree acquired and renamed a 188-room property, Oakwood Chicago River North, in Illinois, the US, in January 2019

MARKET REVIEW AND OUTLOOK

In the US, the corporate housing industry experienced a fifth consecutive year of revenue growth, expanding by 12% to US$3.62 billion, with room to grow as current supply is still behind the 2001 market peak by nearly 15,000 units. Across Europe, more than 18,000 apartment units are currently in the pipeline, with the United Kingdom and Germany leading the way. Asia-Pacific has seen demand for serviced apartments grow by up to 33% in the last two years alone. On a global scale, business travel spending increased by 7.1% in 2018 and is projected to increase to US$1.7 trillion by 2022. Concurrently, the serviced apartment and extended stay category is expected to experience supply growth due to a robust global development pipeline.

For 2019, global economic growth is forecast to be in line with 2017-2018 at around 3.7%, which should bode well for the travel industry. However, given the historical link between global trade volume and business travel spending, the latter could see a slowdown due to external market and economic conditions.

References:

i. CHPA Corporate Housing Industry Report, 2018

ii. HVS, "The Serviced Apartment Sector in Europe: Alive and Kicking," July 10, 2018

iii. Global Serviced Apartments Industry Report 2018/2019

iv. GBTA BTI Outlook – Annual Global Report and Forecast

OPERATIONS REVIEW
MAPLETREE LOGISTICS TRUST

Mapletree Logistics Trust (MLT) is a Singapore-listed real estate investment trust (REIT) that invests in and manages a diversified portfolio of 141 quality, well-located, income-producing logistics assets in Singapore, Hong Kong SAR, Japan, China, Australia, South Korea, Malaysia and Vietnam.

As at 31 March 2019, the business unit's total assets under management was S$8 billion. It contributed S$371.2 million to Mapletree's EBIT + SOA[1] and S$67.9 million to fee income[2] in FY18/19.

Mapletree Hangzhou Logistics Park, a Grade A logistics facility with GFA of 94,590 sqm, is one of the 11 properties in which MLT co-invested a 50% interest in June 2018

DELIVERING STRONG RETURNS AND DEEPENING FOOTHOLD IN KEY MARKETS

Amid global headwinds, MLT's resilient portfolio continued to deliver strong returns in FY18/19. Gross revenue rose 15% year-on-year to S$454.3 million, while net property income increased by 16.7% to S$389.5 million. The amount distributable to unitholders rose 26.8% to S$270 million while distribution per unit was 4.2% higher at 7.941 cents.

MLT's performance was underpinned by organic growth from its existing portfolio, contributions from accretive acquisitions as well as completed redevelopments in Singapore and China. Focusing on active asset management, the Trust achieved higher portfolio occupancy of 98% while maintaining a well-balanced lease expiry profile with a weighted average lease expiry by net lettable area (NLA) of 3.8 years.

FY18/19 saw MLT deepening its foothold in core markets through acquisitions of quality and well-located assets. Additionally, MLT continued the momentum on its portfolio rejuvenation strategy through redevelopment and selective divestment of older assets.

Meanwhile, through active and prudent capital management, the Trust maintained a strong balance sheet and the financial flexibility to seize market opportunities. MLT's debt maturity profile remains well-staggered with an average debt duration of 4.1 years as at 31 March 2019. Total debt due in FY19/20 amounted to 3.6% of total debt, while aggregate leverage stood at 37.7% as at end of FY18/19.

STRENGTHENING COMPETITIVE POSITIONING IN HIGH-GROWTH MARKETS

In line with its strategy to scale up in higher-growth markets, MLT acquired 19 logistics facilities with modern specifications in Australia, China, Singapore, South Korea and Vietnam with a total value of S$1.2 billion. These acquisitions added 1.3 million square metres (sqm) of modern warehouse space to MLT's portfolio, significantly enhancing its competitive positioning.

In June 2018, MLT co-invested a 50% interest in 11 properties in China from its Sponsor, Mapletree Investments, at an aggregate agreed property value of RMB2,846.8 million (~S$575.3 million). The properties are new, modern Grade A logistics facilities developed by Mapletree in favourable locations with good connectivity. Most tenants are engaged in e-commerce or related sectors. Post-acquisition, MLT's NLA in China more than doubled to 843,150 sqm.

MLT also expanded its presence in Singapore via the acquisition of five modern ramp-up logistics facilities for S$775.9 million[3] in September 2018. The properties are purpose-built with good logistics specifications and well-served by major arterial roads. Following the acquisition, MLT is now one of the largest modern warehouse space providers in Singapore with a gross floor area (GFA) of over 1.9 million sqm, and is poised to benefit from Singapore's continued growth as a global logistics hub.

In November 2018, MLT completed the acquisitions of Coles Brisbane Distribution Centre in Australia for A$105 million (~S$100.7 million) and Mapletree Logistics Centre – Wonsam 1 in South Korea for KRW37.85 billion (~S$45.4 million). The former marks MLT's entry into Brisbane, a growing logistics market underpinned by robust domestic consumption.

MLT also completed the acquisition of a logistics facility in Binh Duong, Vietnam, on a 10-year sale-and-leaseback from Unilever for VND725.1 billion (~S$42.4 million) in January 2019.

MLT acquired five modern, ramp-up logistics properties in Singapore in 2018 including 6 Fishery Port Road, which is a seven-storey ramp-up warehouse and logistics facility in Singapore

CREATING VALUE THROUGH ACTIVE PORTFOLIO REJUVENATION

In line with its rejuvenation strategy, MLT embarked on the redevelopment of Mapletree Ouluo Logistics Park (MOLP) in Pudong New District, Shanghai, China. MOLP will be transformed into four blocks of double-storey ramp-up modern warehouse and yield about 80,700 sqm of GFA, an increase of 2.4 times. Phase 1 of the redevelopment was completed in September 2018 and achieved full occupancy immediately. Phase 2 commenced in October 2018 and is slated for completion in March 2020.

During the year, MLT completed the divestment of two older warehouses with limited redevelopment potential – 7 Tai Seng Drive and 531 Bukit Batok Street 23 in Singapore – for a total consideration of approximately S$90.4 million. The divestments freed up capital and provided MLT with the flexibility to pursue investment opportunities of quality, modern warehouses.

PRUDENT CAPITAL MANAGEMENT

During the year, MLT strengthened its balance sheet through two equity fund raising exercises in June and September 2018 which raised gross proceeds of approximately S$220 million and S$375 million respectively. Proceeds raised in June were deployed to partially fund the co-investment of the 50% interest in 11 properties in China, while the proceeds raised in September were deployed to partially fund the acquisition of five ramp-up properties in Singapore.

MARKET REVIEW AND OUTLOOK

Global growth is forecast to slow to 3.3% in 2019 as compared to 3.6% in 2018, on the back of a slowdown in the major economies and heightened trade tensions. This may have a negative impact on demand for warehouse space. Notwithstanding the near-term economic headwinds, the medium- to long-term outlook for MLT remains promising. Demand for logistics facilities will continue to benefit from the structural trends in urbanisation, modernisation of supply chains and growth of e-commerce. In addition, MLT's diversified portfolio, large tenant base and well-staggered lease expiry profile are expected to provide resilience to the portfolio.

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

2 Includes REIT management fees.

3 Includes the upfront land premium for the balance lease terms paid to JTC Corporation of S$45.9 million.

References:

i. International Monetary Fund

OPERATIONS REVIEW
MAPLETREE INDUSTRIAL TRUST

Mapletree Industrial Trust (MIT) is a Singapore-listed real estate investment trust (REIT) that manages a diverse portfolio of 87 industrial properties in Singapore and 14 data centres in the United States (US) (40% interest through the joint venture with Mapletree Investments). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/ Ramp-up Buildings and Light Industrial Buildings.

Managed by Mapletree Industrial Trust Management Ltd, the REIT seeks to provide unitholders with sustainable and growing returns through proactive asset management, value-creating investment management and prudent capital management.

As at 31 March 2019, the business unit's total assets under management was S$4.8 billion[1]. In FY18/19, it contributed S$303.6 million to Mapletree's EBIT + SOA[2], and S$54.7 million to fee income[3].

MIT completed Mapletree Sunview 1, its third BTS data centre development with a GFA of about 22,500 sqm

DELIVERING SUSTAINABLE AND GROWING RETURNS

In FY18/19, MIT continued to deliver stable and healthy returns. Distributable income for FY18/19 was S$231.8 million, a 7.4% increase from the S$215.8 million achieved in FY17/18. Distribution per unit of 12.16 cents for FY18/19 was 3.5% higher than the 11.75 cents for FY17/18. The strong financial performance was attributable to higher contributions from completed development projects and an acquisition in Singapore as well as the full-year contribution from the 40% interest in the data centre portfolio in the US.

MIT's steady growth was supported by its prudent approach towards capital management. On 26 March 2019, MIT issued S$125 million 10-year 3.58% fixed rate notes under the S$2 billion Euro Medium Term Securities Programme. As a result, the weighted average tenor of debt increased from 3.3 years as at 31 March 2018 to 4.4 years as at 31 March 2019. MIT's balance sheet remained healthy with a weighted average all-in funding cost of 3% in FY18/19.

GROWING THE HI-TECH BUILDINGS SEGMENT

MIT made further strides in the strategy of growing the Hi-Tech Buildings segment with the upgrading of 7 Tai Seng Drive, the completion of Mapletree Sunview 1 and the acquisition of 18 Tai Seng. To capture opportunities in the fast-growing data centre sector, MIT is upgrading 7 Tai Seng Drive to a data centre with gross floor area (GFA) of approximately 23,800 square metres (sqm) at a total project cost of about S$95 million[4]. Upon completion of the upgrading works in the second half of 2019, the seven-storey property will be fully leased to Equinix Singapore for an initial term of 25 years with annual rental escalations. Equinix is also a tenant at MIT's properties at 26A Ayer Rajah Crescent in Singapore and 180 Peachtree, Atlanta in the US.

On 13 July 2018, MIT completed its third Build-to-Suit (BTS) data centre development, Mapletree Sunview 1, which is located in a specialised industrial park with ready-built infrastructure for data centres. With a GFA of about 22,500 sqm, the six-storey data centre is leased to an established data centre operator for an initial term of more than 10 years, with staggered rental escalations and renewal options.

MIT completed the acquisition of 18 Tai Seng in Singapore from its Sponsor, Mapletree Investments, at an agreed property value of S$268.3 million on 1 February 2019. The nine-storey high-specification mixed-use industrial development comprises Business 2 industrial, office and retail spaces with a GFA of approximately 41,230 sqm. Centrally located in the Paya Lebar iPark, 18 Tai Seng is the sole property with a direct underground pedestrian link to Tai Seng MRT station. The acquisition was partly financed by a private placement on 11 February 2019, which raised about S$201 million. This resulted in a lower aggregate leverage ratio of 33.8% as at 31 March 2019, which will provide ample headroom for investment opportunities.

MARKET REVIEW AND OUTLOOK

According to the Ministry of Trade and Industry, the Singapore economy grew by 1.2% year-on-year (y-o-y) in the first quarter of 2019 (Q1 2019), slightly lower than the 1.3% growth in the preceding quarter. The manufacturing sector contracted by 0.5% y-o-y in Q1 2019, a pullback from the 4.6% growth in the previous quarter. This was due to output declines in the precision engineering and electronic clusters, which more than offset output expansions in the biomedical manufacturing, transport engineering and general manufacturing clusters.

According to JTC Corporation, the median rental rate for multi-user factory space islandwide in Q1 2019 increased to S$1.80 per square foot per month (psf/mth), from S$1.78 psf/mth in the preceding quarter. For business park space, the islandwide median rental rate increased to S$4.37 psf/mth from S$4.13 psf/mth in the preceding quarter.

Business sentiment among local companies waned for the third consecutive quarter in Q2 2019. The weaker external demand affecting the wholesale trade and manufacturing sectors, as well as the chain effects of a slowdown in China have weighed on the outlook within the region. The upcoming supply of competing industrial space is expected to moderate both the market rents and occupancy rates. MIT remains focused on tenant retention to maintain a stable portfolio occupancy.

According to CBRE, the primary data centre markets in the US added 322 megawatts (MW) of new capacity and absorbed a record-setting 303 MW in 2018, 16% higher than 2017 levels. This was mainly fuelled by demand from larger hyperscale cloud providers and enterprise deployments.

MIT completed the acquisition of 18 Tai Seng, a mixed-use industrial development with a GFA of approximately 41,230 sqm, located in Paya Lebar iPark

1 Based on MIT's book value of investment properties and investment properties under development and MIT's 40% interest of the joint venture with Mapletree Investments in a portfolio of 14 data centres in the US as at 31 March 2019.

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

3 Includes REIT management fees.

4 This includes the purchase consideration of 7 Tai Seng Drive at S$68 million.

References:

i. Ministry of Trade and Industry, Singapore

ii. JTC J-Space, 21 April 2019

iii. CBRE North American Data Center Trends H2 2018

OPERATIONS REVIEW
MAPLETREE COMMERCIAL TRUST

Mapletree Commercial Trust (MCT) is a Singapore-focused real estate investment trust (REIT) that makes long-term investments in a diversified portfolio of income-producing office and retail properties.

MCT's portfolio comprises five properties in Singapore:

- VivoCity
- Mapletree Business City I (MBC I)
- PSA Building (PSAB)
- Mapletree Anson
- Bank of America Merrill Lynch HarbourFront (MLHF)

As at 31 March 2019, the business unit owned and managed approximately S$7 billion in assets. It contributed S$354.6 million and S$59.4 million to the Group's EBIT + SOA[1] and fee income[2] respectively in FY18/19.

library@harbourfront officially opened in January 2019, as part of VivoCity's fourth completed AEI, and is Singapore's largest library in a shopping mall

DELIVERING STABLE AND RESILIENT RETURNS

Since its listing on 27 April 2011, MCT's market capitalisation has increased from S$1.6 billion at listing date to S$5.5 billion as at 31 March 2019. Including distribution paid out since listing, the total return to unitholders exceeded 185%.

For FY18/19, MCT delivered total returns of 26.2% to unitholders.

INCREASING VIBRANCY AT VIVOCITY

In FY18/19, the fourth and largest asset enhancement initiative (AEI) to date was completed at VivoCity. The bonus gross floor area granted by the Community/Sports Facilities Scheme allowed 3,000 square metres (sqm) of commercial space on Level 3 to be converted into Singapore's largest library in a shopping mall. Officially opened in January 2019, the library@harbourfront is designed to serve all ages and will encourage repeat visits to VivoCity.

The commercial space from Level 3 was decanted and used to extend the current Basement 1 (B1) of VivoCity. The extension was opened in June 2018 and houses 10 athleisure and lifestyle brands.

The AEI also included a new set of escalators connecting Basement 2 (B2) to Level 1 (L1) through the new B1 extension, addition of toilets at B1, installation of solar panels and upgrading of the outdoor plaza's water feature. The entire AEI delivered an annual return on investment of over 10% on a stabilised basis (on S$16 million of capital expenditure).

To refresh and strengthen VivoCity's retail offerings, the mall will welcome Singapore's leading grocer and multi-format retailer, NTUC FairPrice. Fit-out works have started for an integrated space of approximately 8,450 sqm. Specifically designed to cater to the varied needs of today's shoppers, the new store comprises FairPrice Xtra hypermarket, Unity pharmacy and Cheers convenience store.

Meanwhile, approximately 2,200 sqm of recovered space on L1 and B2 has been fully committed by tenants including Uniqlo, who are expanding in VivoCity, as well as by new lifestyle and mid-range food & beverage (F&B) offerings. Scheduled for completion by Q2 FY19/20, the recovery of space is expected to contribute approximately 40% of annual return on investment on a stabilised basis (on currently estimated capital expenditure of approximately S$2.2 million), in addition to the positive rental uplift from the grocer.

As part of ongoing efforts to curate shopper-centric events that drive footfall, VivoCity partnered with The Walt Disney Company to present the "VivoCity x Disney Tsum Tsum Mid-Autumn: A Celebration of Love" from 30 August to 30 September 2018. The VivoCity Sky Park was filled with more than 2,000 Disney Tsum Tsum lanterns and a record-setting 10-metre tall Mickey and Minnie Mouse lantern installation. The month-long festivity received an overwhelmingly positive response from shoppers and attracted wide media coverage.

On 21 December 2018, VivoCity held its inaugural Christmas Late Night Shopping, with over 100 retailers extending their operating hours till 2am. VivoCity's Christmas celebrations also included an outdoor skating rink featuring specially curated playlists with different themes every night from 7 to 25 December 2018.

STEADY PERFORMANCE BY OFFICE AND BUSINESS PARK ASSETS

MCT's focus on retaining quality tenants and engaging them early to secure renewals enabled its office and business park assets to perform steadily, with 8.7% rental uplift achieved for FY18/19. Both MBC I and PSAB closed the year with 98.1% and 96.4% committed occupancies respectively.

Notwithstanding some tenant changeover, Mapletree Anson achieved 97.8% committed occupancy and MLHF maintained full occupancy.

MARKET REVIEW AND OUTLOOK

According to the Ministry of Trade and Industry of Singapore, the Singapore economy grew 1.3% year-on-year in the first quarter of 2019, moderating from the 1.9% growth in the fourth quarter of 2018. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 2%, faster than the 1.4% growth in the previous quarter.

According to CBRE, the pace of retail sales growth, while positive, slowed down in 2018 to 1.1% from 1.8% in 2017. Though indicators in previous quarters had pointed to a potential medium term rental recovery, optimism has been dampened by recent adjustments in the labour market. Some retailers are holding off expansion plans to prepare for the further tightening of foreign labour quotas. However, the retail supply pipeline is expected to tighten over the next few years, which remains positive for the overall retail market.

The office market indicators for Q1 2019 continued to look robust with tightening vacancy, decent absorption and growing rents. However, CBRE noted some occupier resistance to the pace of rental increases, with negotiations for renewals and relocation becoming more protracted. Landlords remain optimistic on the outlook for rents, supported by tapering new office supply in the medium term. A potential further cutback in existing office stock is also expected in the medium term as landlords consider redevelopment options after the Urban Redevelopment Authority's recent announcement of the central business district incentive scheme.

The business park market registered a mixed performance. Pockets of expansion by technology and consumer goods companies occurred in the City Fringe submarket but overall occupancy remained high due to the limited availability of quality space. Prospects for the City Fringe submarket, where MBC I is located, continue to look positive while challenges remain in the Rest of Island submarket. However, redevelopment plans are in the works for the likes of Singapore Science Park and International Business Park, which could serve to rejuvenate these areas.

MCT's portfolio is expected to remain resilient given VivoCity's strong positioning and consistent performance, as well as the manageable lease expiries in MCT's office/business park properties.

"VivoCity x Disney Tsum Tsum Mid-Autumn: A Celebration of Love" campaign featured more than 2,000 Disney Tsum Tsum lanterns and a record-setting 10-metre tall Mickey and Minnie Mouse lantern installation

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

2 Includes REIT management fees.

References:

i. Ministry of Trade and Industry, Singapore, 12 April 2019

ii. CBRE MarketView Singapore Q1 2019

OPERATIONS REVIEW
MAPLETREE NORTH ASIA COMMERCIAL TRUST

The fourth real estate investment trust (REIT) sponsored by Mapletree Investments, Mapletree North Asia Commercial Trust (MNACT) [1], offers investors opportunities to invest in best-in-class commercial properties situated in North Asia.

As at 31 March 2019, MNACT's portfolio of nine properties in China, in Hong Kong SAR and in Japan had a combined valuation of S$7.6 billion, comprising:

- **Festival Walk, a landmark territorial retail mall with an office component, in Hong Kong SAR**
- **Gateway Plaza, a premier Grade A office building with a podium area, in Beijing**
- **Sandhill Plaza, a premium quality business park development situated in Zhangjiang Hi-tech Park in Pudong, Shanghai**
- **Six office properties in the Greater Tokyo region (collectively known as the "Japan Properties")[2]**

As at 31 March 2019, MNACT's total assets under management was S$7.6 billion. In FY18/19, it contributed S$333.8 million to Mapletree's EBIT + SOA[3], and S$56.7 million to fee income[4].

Since MNACT's listing on 7 March 2013, the REIT Manager, Mapletree North Asia Commercial Trust Management Ltd (MNACTM), has consistently delivered healthy returns to investors, building upon the key strategies of driving organic growth and delivering acquisition growth (with the purchase of Sandhill Plaza in June 2015 and the Japan Properties in May 2018). Since listing, the total returns to unitholders[5] was 87.4% as at 31 March 2019, including the distributions paid out.

ENHANCING VALUE

For FY18/19, MNACT's distributable income grew 14.1% to S$240.7 million while distribution per unit (DPU) increased 2.8% to 7.69 cents. The steady performance was mainly driven by contribution from the newly acquired Japan Properties[6] and higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza.

On the capital management front, MNACT maintained a healthy financial position. Compared to a year ago, the effective interest rate for FY18/19 was slightly lower at 2.47% per annum, with approximately 86% of interest cost hedged into fixed rates as at 31 March 2019. As at end FY18/19, the aggregate leverage ratio stood at 36.6%. To mitigate foreign currency exposure, about 75% of MNACT's expected distributable income for the period from 1 April 2019 to 30 September 2019 has been hedged into Singapore Dollars (S$) as at 31 March 2019.

EXTENDING REACH

In May 2018, MNACT completed the acquisition of six freehold office properties in the Greater Tokyo region at a total acquisition cost of S$777.5 million, comprising the Acquisition Price of JPY63,304 million[7], the acquisition fee paid to the Manager of S$5.7 million as well as acquisition related transaction costs. To partially finance the acquisition, gross proceeds of S$330.3 million were raised via a private placement on 25 April 2018. The acquisition was in line with the strategy to extend reach in the larger North Asia market,

Expansion of MNACT's portfolio with the addition of the Japan Properties (Top row from left to right): IXINAL Monzen-Nakacho Building (Tokyo), Higashi-Nihonbashi 1-Chome Building (Tokyo), TS Ikebukuro Building (Tokyo); (bottom row from left to right) ABAS Shin-Yokohama Building (Yokohama), SII Makuhari Building (Chiba) and Fujitsu Makuhari Building (Chiba)

The launch of Festival Walk's 20th anniversary and Christmas celebrations in 2018 was graced by Mr Paul Ma (second from left), Chairman of MNACTM, Mr Michael Kok (first from left), Board of Director of MNACTM, Ms Sandra Cheng (first from right), General Manager of Festival Walk, and celebrity, Mr Sean Lau (second from right) from Hong Kong SAR

improving income and geographical diversification.

PROACTIVE PORTFOLIO MANAGEMENT

The enlarged portfolio remains resilient with a high occupancy rate of 99.6% and positive average rental reversions[8] recorded for Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties[9].

During FY18/19, Festival Walk affirmed its positioning as one of Hong Kong SAR's premier shopping, dining and lifestyle destinations. The mall celebrated its 20th anniversary with a series of promotional events during the Christmas festive season, including the "Merry-Go-20th Christmas Lighting Ceremony" with a 13-metre tall giant birthday cake as its centerpiece. Other events held during the year included festive celebrations featuring celebrities, the "Avengers 3" exhibition and movie kick-off event, the "Alisports Esports Carnival 2018", beauty product roadshows, car shows, as well as ice-skating performances and competitions.

Festival Walk remained fully occupied as at 31 March 2019 and achieved an average rental reversion of 28% (retail) for FY18/19. Both properties in China maintained their stable performance. Occupancy at Gateway Plaza in Beijing stood at 99% as at end FY18/19, while average rental reversion was 2% for the year. Sandhill Plaza registered 99.3% occupancy as at end FY18/19 with an average rental reversion of 15%.

For the newly acquired Japan Properties, the Manager has been focusing efforts on driving stable and sustainable performance. As at 31 March 2019, the properties registered full occupancy and recorded an average rental reversion of 6% for the financial year.

MARKET REVIEW AND OUTLOOK

Greater China

For 2019, China's economic growth is expected to moderate, weighed down by weaker investment and exports as well as lower consumer confidence as a result of United States-China trade tensions.

In Beijing, a general softening in leasing demand and higher level of new office supply are also expected in 2019.

In Shanghai, the government stimulus measures to support the private sector are expected to underpin demand for business park space in decentralised locations.

In 2019, Hong Kong SAR's gross domestic product (GDP) growth is expected to moderate to 2.4%. While headwinds are likely to remain in the near term, retail market fundamentals remain intact, supported by low unemployment and growing inbound tourism.

Japan

Japan's GDP is expected to increase by 1% in 2019. The outlook for the Tokyo office market remains positive in 2019, although global economic uncertainties may dampen growth.

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

2 While MNACT holds a 98.47% effective interest in the Japan Properties, all property and financial-related figures stated in this section for MNACT's portfolio are based on 100% effective interest in the Japan Properties (which includes the 1.53% effective interest in the Japan Properties which is held by Mapletree Investments Japan Kabushiki Kaisha) unless otherwise stated.

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

4 Includes REIT management fees.

5 Sum of unit price appreciation and total distribution yield since IPO. Unit price appreciation is based on the opening IPO price of $0.930 on 7 March 2013 and the closing unit price of S$1.320 on 29 March 2019. Prior to FY18/19, MNACT's distribution policy was on a semi-annual basis. Total distribution yield is based on: a) sum of first-half and second-half available DPU for the period from FY13/14 (excluding the stub period) to FY17/18 of 34.956 cents; and b) sum of the Q1, Q2, Q3 and Q4 available DPU of 7.690 cents for FY18/19, over the opening IPO unit price of S$0.930.

6 Contribution from the Japan Properties was from 25 May 2018, following completion of the acquisition.

7 Please refer to MNACT's SGX-ST Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan".

8 Rental reversion for each asset is computed based on the weighted average effective base rental rate of leases that were renewed or re-let vs. the weighted average effective base rental rate of expired leases, over the lease term. The computation of rental reversion excludes turnover rent and renewed/re-let leases with lease periods less than or equal to one year.

9 The operational performance of the Japan Properties is reported on a portfolio basis.

References:

i. International Monetary Fund, World Economic Outlook Update (April 2019)

ii. Savills, Beijing Office (April 2019)

iii. Colliers International, Shanghai Business Park (April 2019)

iv. Hong Kong Census and Statistics Department's "*Provisional statistics of retail sales for March 2019*" Press Release

vi. Savills, Tokyo Office (Q1 2019)

vii. FocusEconomics

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Singapore					
Industrial					
43 Keppel Road	Bougainvillea Realty Pte Ltd	100	8,600	10,500	7,800
Tanjong Pagar Distripark	Bougainvillea Realty Pte Ltd	100	40,200	80,500	62,900
Mixed-Use					
HarbourFront Centre	HarbourFront Centre Pte Ltd	100	32,900	97,700	66,200
Mapletree Business City II	Mapletree Business City Pte Ltd	100	108,500[1]	309,000[1]	110,100
St James Power Station	The HarbourFront Pte Ltd	100	17,800	8,700	6,100
Office					
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	13,400
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
Office					
1G Homebush Bay Drive	Grafton ROA Trust	100	4,300	–	12,155
11 Waymouth Street	Yarra Asset Trust	100	3,576	–	30,997
22 Giffnock Avenue	Grafton ROA Trust	100	6,923	–	13,394
53 Ord Street	Grafton ROA Trust	100	6,055	–	6,864
67 Albert Avenue	Chatswood Asset Trust	100	3,006	–	14,756
78 Waterloo Road	Grafton ROA Trust	100	5,496	–	15,019

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Australia					
Office					
118 Talavera Road	Grafton ROA Trust	100	4,490	–	11,658
144 Montague Road	Montague QL Trust	100	3,257	–	14,742
417 St Kilda Road	Yarra Asset Trust	100	6,070	–	20,135
China					
Industrial					
Mapletree Fullshine City Industrial Park	Shanghai Fullshine Industrial Development Co Ltd	100	79,269	68,433	66,877
Logistics					
Mapletree Changchun Kuancheng Logistics Park	Fengkuan Warehouse (Changchun) Co Ltd	100	99,998	60,295	58,938
Mapletree Changsha Airport Logistics Park	Fengchuang Warehouse (Changsha) Co Ltd	100	62,903	35,843	34,198
Mapletree Changsha Industrial Park (Phase 2)	Fengyi Warehouse (Changsha) Co Ltd	80	140,207	98,724	97,888
Mapletree Changsha Logistics Park (Phase 1)	Fengshun Logistics Development (Changsha) Co Ltd	65.8	125,333	76,862	79,253
Mapletree Changshu Logistics Park	Changshu Fengjia Warehouse Co Ltd	65.8	100,672	59,538	60,966
Mapletree Chaohu Logistics Park	Fengxun Warehouse (Chaohu) Co Ltd	100	183,141	119,614	118,918
Mapletree Chengdu DC Logistics Park	Digital China (Chengdu) Science Park Co Ltd	100	32,332	20,819	20,138
Mapletree Chengdu Qingbaijiang Logistics Park	Fengqing Warehouse (Chengdu) Co Ltd	100	153,951	109,053	107,379
Mapletree Chongqing Bishan Logistics Park	Fengju Warehouse (Chongqing) Co Ltd	100	97,883	55,270	54,555
Mapletree Chongqing Bonded Port Logistics Park	Fengqian Warehouse (Chongqing) Co Ltd	100	73,602	82,539	77,403
Mapletree Chongqing Jiangjin Comprehensive Industrial Park	Fengfu Industrial (Chongqing) Co Ltd	100	73,587	47,436	47,037
Mapletree Chongqing Liangjiang Logistics Park	Fengjiang Warehouse (Chongqing) Co Ltd	100	101,351	101,108	104,899

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree (Cixi) Logistics Park	Fengkang Logistics (Cixi) Co Ltd	80	238,292	137,586	138,587
Mapletree Cross-Border (Chongqing) Logistics Park	Fengzhong Warehouse (Chongqing) Co Ltd	100	88,938	106,769	105,862
Mapletree Dalian EDZ Logistics Park	Fengbin Warehouse (Dalian) Co Ltd	100	119,878	74,204	72,481
Mapletree Dalian Logistics Park	Fengguang Warehouse (Dalian) Co Ltd	80	96,531	56,642	57,739
Mapletree Fengdong (Xi'an) Industrial Park	Fenghang Logistics Development (Xi'an) Co Ltd	65.8	119,422	62,860	63,558
Mapletree Fuqing Logistics Complex Industrial Park	Fengye Warehouse (Fuzhou) Co Ltd	100	113,390	72,522	71,642
Mapletree Guizhou Longli Logistics Park	Fenglong Warehouse (Guizhou) Co Ltd	100	102,333	52,563	51,651
Mapletree Haiyan Industrial Park	Fengcang Industrial (Haiyan) Co Ltd	100	79,669	69,831	68,976
Mapletree Hangzhou Logistics Park	Fengzhou Warehouse (Hangzhou) Co Ltd	65.8	83,593	94,590	106,726
Mapletree Harbin Nangang Logistics Park	Harbin Fenggang Warehouse Co Ltd	100	100,366	60,595	58,913
Mapletree Huaian Logistics Park	Fengan Warehouse (Huaian) Co Ltd	100	157,023	90,110	90,396
Mapletree Huangdao Logistics Park	Fenglu Warehouse (Qingdao) Co Ltd	100	100,000	75,856	74,192
Mapletree Jiangyin Logistics Park	Feng'ang Industrial (Jiangyin) Co Ltd	100	159,277	102,814	101,924
Mapletree Jiaozhou Logistics Park	Fenglai (Qingdao) Warehouse Co Ltd	100	75,568	76,778	39,275
Mapletree Jiaxing Industrial Park	Feng'er Warehouse (Jiaxing) Co Ltd	100	75,697	92,207	75,107
Mapletree Jiaxing Logistics Park	Jiaxing Fengyue Warehouse Co Ltd	65.8	62,346	35,735	35,683
Mapletree Jinan International Logistics Park	Fengcheng Logistics Development (Jinan) Co Ltd	80	126,766	78,921	80,931
Mapletree Jinghai Logistics Park	Fengjing Warehouse (Tianjin) Co Ltd	100	59,113	34,779	34,572

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Jinghe Industrial Park	Xi'an Fengjie Warehouse Co Ltd	100	136,051	80,366	79,848
Mapletree Kunming Industrial Park	Kunming Fengyun Warehouse Co Ltd	100	117,671	66,501	65,647
Mapletree Liuhe Logistics Park	Fenghao Warehouse (Nanjing) Co Ltd	100	130,237	72,133	71,231
Mapletree Nanchang Logistics Park	Fengqi Warehouse (Nanchang) Co Ltd	65.8	121,134	73,950	73,950
Mapletree Nanjing Logistics Park	Fenghu Warehouse (Nanjing) Co Ltd	100	108,341	109,484	89,856
Mapletree Nantong Chongchuan Logistics Park	Fengrui Logistics (Nantong) Co Ltd	65.8	135,735	75,545	78,624
Mapletree Nantong (EDZ) Logistics Park	Fengchi Logistics (Nantong) Co Ltd	80	108,782	67,895	67,504
Mapletree Panjin Logistics Park	Panjin Fenghe Warehouse Co Ltd	100	113,827	72,347	71,442
Mapletree Quanzhou QTIZ Logistics Park	Quanzhou Fenglian Warehouse Co Ltd	100	104,793	124,786	108,242
Mapletree Shenyang Tiexi Logistics Park	Fengda Warehouse (Shenyang) Co Ltd	100	71,361	43,927	42,881
Mapletree Suzhou Logistics Park	Fengwang Warehouse (Suzhou) Co Ltd	100	60,633	78,010	57,432
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	65.8	47,101	29,057	29,148
Mapletree Tianjin Xiqing Logistics Park	Fengwei Warehouse (Tianjin) Co Ltd	100	66,668	39,046	37,776
Mapletree Wenzhou ETDZ Industrial Park	Fengfan Industrial (Wenzhou) Co Ltd	100	160,008	138,385	127,305
Mapletree Wuhan Yangluo Logistics Park	Fengying Logistics (Wuhan) Co Ltd	65.8	116,467	68,126	69,984
Mapletree Wuxi New District Logistics Park	Fengshuo Warehouse Development (Wuxi) Co Ltd	65.8	99,958	119,599	122,403

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Xiaogan Linkong Logistics Park	Fengmin Logistics (Xiaogan) Co Ltd	80	124,342	78,756	77,882
Mapletree Xixian Airport New City Logistics Park	Fengyang (Xixian New District) Warehouse Development Co Ltd	100	122,286	72,047	71,006
Mapletree Xuzhou Logistics Park	Fenghuai Warehouse (Xuzhou) Co Ltd	100	116,032	108,190	93,291
Mapletree Yangzhou Industrial Park	Fengyuan Warehouse (Yangzhou) Co Ltd	100	139,965	84,847	84,552
Mapletree Yantai Logistics Park	Yantai Fenjun Warehouse Co Ltd	100	119,210	65,465	63,097
Mapletree Yiwu Auto Parts Supply Chain Project	Fengzhuo Warehouse (Yiwu) Co Ltd	100	149,488	128,439	122,915
Mapletree Yixing Logistics Park	Fenghuan Warehouse (Yixing) Co Ltd	100	133,492	74,875	72,504
Mapletree Yuyao Simeng Industrial Park	Fengyu Warehouse (Yuyao) Co Ltd	100	119,864	69,820	62,378
Mapletree Yuyao Simeng Logistics Park	Fengxuan Logistics (Yuyao) Co Ltd	80	83,622	46,811	48,914
Mapletree Zhangzhou Modern Logistics Park	Zhangzhou Xinzhanwang Industrial Co Ltd	97.4	69,660	81,226	65,564
Mapletree Zhengzhou Airport Logistics Park	Zhengzhou Fengzhuang Warehouse Co Ltd	100	161,718	95,951	95,793
Mapletree Zhenjiang Logistics Park	Fengzhen Logistics (Zhenjiang) Co Ltd	65.8	172,106	98,553	101,616
Mapletree Zhongshan Modern Logistics Park	Fengteng Warehouse (Zhongshan) Co Ltd	100	41,163	24,265	24,112
Singapore Mapletree Xixia Modern Logistics Park	Ningxia Fengxia Warehouse Co Ltd	100	134,218	75,635	74,883
Office					
Arca Building	Arca Technology (Beijing) Co Ltd	100	22,749	19,695	19,695

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Germany					
Office					
Dachauer Strasse 641 – 655	Rhein Assets S.a.r.l. & West Munich Assets S.a.r.l.	100	66,670	60,041	58,658
Hong Kong SAR					
Office					
Mapletree Bay Point[2]	Sunstone KB (HKSAR) Limited	100	5,112	61,344	52,817
India					
Office					
Global Infocity Park Chennai	Airoli ITP Development Private Limited	100	50,077	187,566	252,403
Japan					
Corporate Housing/Serviced Apartment					
Oakwood Apartments Azabudai, Tokyo	Kashinoki TMK	100	364	3,000	2,185
Oakwood Suites Yokohama	Satsuki TMK	100	1,129	14,242	9,767
Office					
mBay Point Makuhari	Godo Kaisha Makuhari Blue	100	40,603	170,499	82,627
Omori Prime Building	Satsuki TMK	100	1,764	10,442	6,798
TF Nishidai Building	Godo Kaisha Zelkova	100	11,119	22,792	14,576
Malaysia					
Logistics					
Mapletree Logistics Hub – Shah Alam	Winning Paramount Sdn Bhd	80	172,700	213,130	207,662
Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	Trinity Bliss Sdn Bhd	80	112,988	133,698	131,638
Retail					
Jaya Shopping Centre	Jaya Section Fourteen Sdn Bhd	100	8,600	65,900 (423,200 excludes carpark)	24,500

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Poland					
Logistics					
Dirks BTS	AlexandraLog PLW04 Sp. Zoo	100	–	–	44,293
Wroclaw II – A1	AlexandraLog PLW04 Sp. Zoo	100	–	–	34,005
Wroclaw II – A2	AlexandraLog PLW04 Sp. Zoo	100	–	–	18,724
Wroclaw II – A3a/b	AlexandraLog PLW04 Sp. Zoo	100	–	–	56,800
The UK					
Office					
3 Hardman Street	Hardman Investments Unit Trust	100	6,330	–	36,704
Diageo Headquarters	Derry Park Assets (UK) Limited	100	6,020	–	14,684
Green Park	Green Park Reading No. 1 LLP	100	790,000	–	126,248
iQ Building	Aberdeen IQ Unit Trust	100	4,200	–	11,665
One Glass Wharf	Glass Wharf JV Limited	100	4,950	–	20,080
The US					
Corporate Housing/Serviced Apartment					
Oakwood Arlington	Arlington Assets LLC	100	5,129	19,045	14,349
Oakwood Chicago River North	River North Assets LLC	100	1,477	27,592	15,540
Oakwood Dallas Uptown	Bryson Noble LLC	100	9,442	27,691	20,805
Oakwood Miracle Mile	Eighth Wilshire LLC	100	3,349	8,323	7,165
Oakwood Mountain View	Boulevard City LLC	100	9,300	20,556	12,024
Oakwood Olympic & Olive	Eighth Wilshire LLC	100	4,672	17,415	13,556
Oakwood Portland Pearl District	Everett City LLC	100	1,858	9,662	6,914
Oakwood Raleigh at Brier Creek	Courtney NC LLC	100	77,619	37,302	27,380
Oakwood Redwood City	Boulevard City LLC	100	10,147	12,625	10,071
Oakwood Seattle South Lake Union	Dexter City LLC	100	1,315	11,076	6,247
Oakwood Silicon Valley	Labrador Cascades LLC	100	19,534	19,822	12,148

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
The US					
Data Centre					
2 Christie Heights, Leonia	Ambrose DC Assets LLC	72.7	13,593	–	6,224
180 Peachtree Street, Atlanta	Etowah DC Assets LLC	72.7	12,551	–	33,207
402 Franklin Road, Brentwood	Hudson DC Assets LLC	72.7	175,478	–	32,285
1001 Windward Concourse, Alpharetta	Cumberland DC Assets LLC	72.7	82,910	–	17,145
1221 Coit Road, Plano	Denali DC Assets LLC	72.7	29,363	–	11,961
1805 Center Park Drive, Charlotte	Gannett DC Assets LP	72.7	27,478	–	5,653
2000 Kubach Road, Philadelphia	Navarro DC Assets LLC	72.7	103,604	–	11,537
2775 Northwoods Parkway, Atlanta	Redwood DC Assets LLC	72.7	13,038	–	3,041
3300 Essex Drive, Richardson	Redwood DC Assets LLC	72.7	6,156	–	1,858
5000 South Bowen Road, Arlington	Savannah DC Assets LLC	72.7	113,446	–	8,425
5150 McCrimmon Parkway, Morrisville	Humphreys DC Assets LP	72.7	49,533	–	13,356
7337 Trade Street, San Diego	Hudson DC Assets LLC	72.7	68,239	–	46,395
19675 W Ten Mile Road, Southfield	Galveston DC Assets LLC	72.7	11,252	–	4,918
N15W24250 Riverwood Drive, Pewaukee	Hudson DC Assets LLC	72.7	55,630	–	13,280
Logistics					
319 Richard Mine Road	Sheares Logistics Assets LLC	100	34,884	–	7,493
650 Long Beach Boulevard	Helix Logistics Assets LLC	100	48,651	–	10,870
1881 Rose Road	Helix Logistics Assets LLC	100	26,474	–	9,422
2304 Tarpley Road	Helix Logistics Assets LLC	100	33,552	–	9,768
4475 West 700 South	Sheares Logistics Assets LLC	100	72,681	–	32,115
6490 Hazeltine National Drive	Helix Florida 1 Logistics Asset LLC	100	12,505	–	3,152
14325 Gillis Road	Sheares Logistics Assets LLC	100	37,761	–	16,286
14327 Gillis Road	Sheares Logistics Assets LLC	100	12,395	–	5,346

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
The US					
Logistics					
Centerport 400	Helix Florida 2 Logistics Asset LLC	100	12,440	–	4,032
Des Plaines 3	Sheares Logistics Assets LLC	100	24,605	–	13,268
Des Plaines 8	Sheares Logistics Assets LLC	100	26,300	–	16,774
Maryland Food Center 1	Helix Logistics Assets LLC	100	22,298	–	11,228
Maryland Food Center 2	Helix Logistics Assets LLC	100	22,339	–	10,472
Phoenix Distribution Center 3	Sheares Logistics Assets LLC	100	16,916	–	7,058
Pleasant Prairie 2	Helix Logistics Assets LLC	100	81,261	–	25,182
Sacramento	Sheares Logistics Assets LLC	100	100,403	–	41,305
Schaumburg 2	Helix Logistics Assets LLC	100	24,156	–	4,682
Multi-Family					
Denizen	Denver Properties I, LLC	100	11,614	27,710	17,669
Latitude 45	Minneapolis Properties III, LLC	100	4,460	36,283	23,357
Mint Urban Infinity	Glendale Properties II, LLC	100	62,038	39,979	38,501
Place on Ponce	Decatur Properties I, LLC	100	–	26,521	19,698
Office					
50 South Sixth	South Sixth Office LLC	100	4,731	100,832	64,903
Vietnam					
Corporate Housing/Serviced Apartment					
Oakwood Residence Saigon	Saigon South Serviced Apartments Co Ltd	100	5,143[3]	34,248	21,081
Industrial					
Mapletree Business City @ Binh Duong	Mapletree Business City (Vietnam) Co Ltd	100	748,760	706,557	–

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Vietnam					
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	251,687
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	343,505	343,957
Mixed-Use					
mPlaza Saigon	Saigon Boulevard Complex Company Limited	100	13,632	146,000	80,000
Pacific Place	Ever Fortune Trading Center Joint Stock Company	100	5,430	65,115	28,828
Office					
CentrePoint	Nguyen Vu Investment Joint Stock Company	100	4,163	44,732	28,222
Mapletree Business Centre	Saigon South Office 1 Co Ltd	100	1,750	37,070	23,397
Residential					
One Verandah	Riverfront TML (Vietnam) Company Ltd	100	16,684	107,777	83,419
RichLane Residences	Saigon South Serviced Apartments Co Ltd	100	5,143[3]	28,868	19,048
Retail					
SC VivoCity	Vietsin Commercial Complex Development Joint Stock Company	62	33,580	62,600	41,330

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Number of Beds	Gross Floor Area (sqm)
Canada				
Student Accommodation				
Parc Cite	3275262 Nova Scotia Company	100	280	7,653
The UK				
Student Accommodation				
Pablo Fanque House	Norfolkshire Assets Limited	100	244	7,710
The Maltings	Cambridgeshire Assets Limited	100	779	26,385
The US				
Student Accommodation				
4th Street Commons	Sweetwater Properties I, LLC	100	562	19,417
700 on Washington	Minneapolis Properties II, LLC	100	157	11,814
930 NoMo	Charleston Properties I, LLC	100	430	32,748
evo at Cira Centre South	Chester Loft LLC	100	850	29,663
SkyVue Apartments	Pittsburgh Properties I, LP	100	627	40,877
The District at Campus West	Fort Collins Properties I, LLC	100	659	29,002
Todd	Columbia Properties II, LLC	100	351	14,493
WaHu	Minneapolis Huron Properties I, LLC	100	825	50,690

1 Area for entire Mapletree Business City development (including Mapletree Business City I).

2 A sales and purchase agreement to divest the asset was signed in December 2018. It was later completed in May 2019.

3 Combined land area for Oakwood Residence Saigon and RichLane Residences.

Property Portfolio features only properties under the Mapletree Investments Pte Ltd platform. For more information on all properties under the Group, please visit our website at www.mapletree.com.sg.

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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 is currently managing or has managed 14 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 both diversified and sector-focused portfolios across the public and private real estate markets.

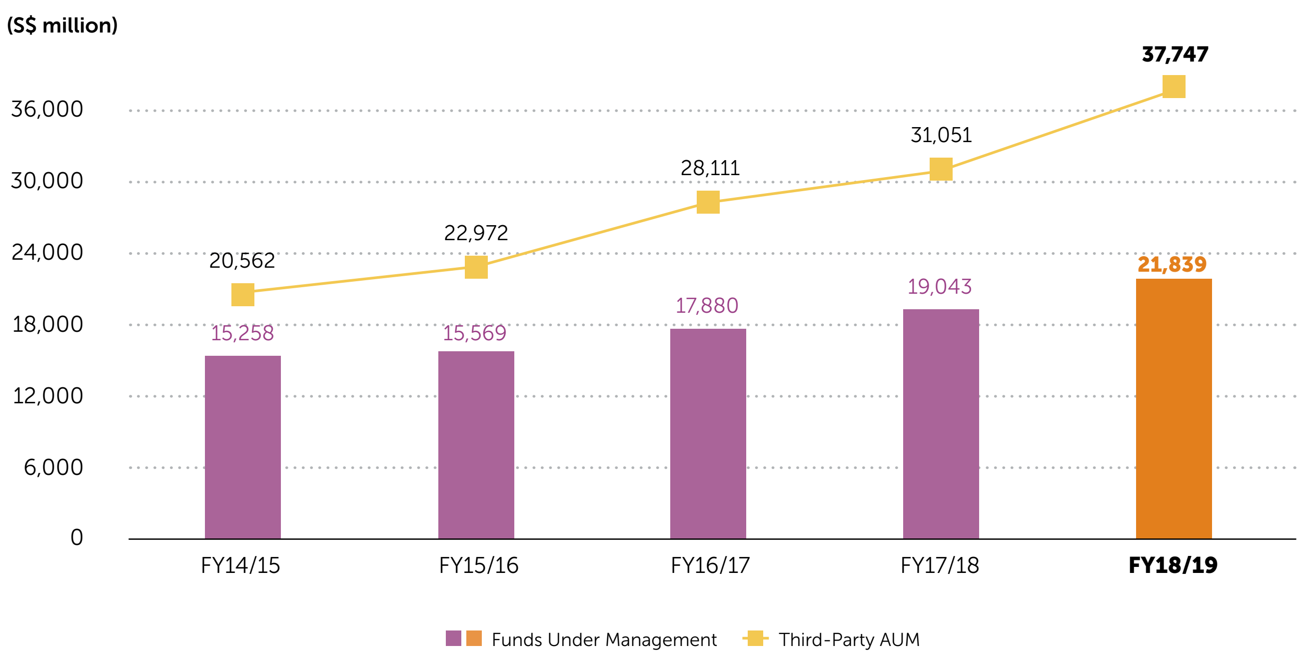
The Group has built a strong reputation as an industry leader in the Singapore REIT market and private fund management business with origination, structuring and fundraising capabilities. Currently, Mapletree manages four Singapore-listed REITs and six private funds with combined funds under management of over S$21 billion. In the last decade, Mapletree has grown grown its third-party assets under management (AUM) by more than six times.

As at 31 March 2019, Mapletree's AUM stood at S$55.7 billion, of which 67.7% was managed assets. In line with our business objective to deliver consistent and high returns, Mapletree constantly seeks 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.

ACHIEVING SUCCESSFUL EXIT – MJOF

MJOF was launched in 2014 at a fund size of JPY65 billion (~S$791.3 million) with the objective of

FIVE-YEAR GROWTH IN THIRD-PARTY AUM & FUNDS UNDER MANAGEMENT



Successfully Syndicated a New Fund – Mapletree US & EU Logistics Private Trust (MUSEL)

Following the successful launch of Mapletree Global Student Accommodation Private Trust (MGSA) in 2017, the Group continued to expand its range of private funds in FY18/19 and syndicated a logistics private trust in the United States (US) and Europe, MUSEL, with US$1.8 billion (~S$2.44 billion) in equity. Despite the competitive fundraising environment, the private trust attracted strong investor support from a diversified group of investors that include sovereign wealth funds, insurance companies, financial institutions and family offices. MUSEL aims to deliver strong and sustainable income yield with an attractive total return by investing in high quality logistic assets in the US and Europe. MUSEL is invested in a portfolio of 262 logistics properties with an aggregate leasable area of approximately 5.2 million square metres (sqm) located across 26 states in the US and 20 European cities across seven European countries.

In addition to MUSEL, Mapletree manages five other funds – a Japan-focused logistics development fund, MJLD, Mapletree China Opportunity Fund II (MCOF II), Mapletree India China Fund (MIC Fund), MGSA and CIMB-Mapletree Real Estate Fund 1 (CMREF1).

investing in predominantly income-generating office spaces in Japan. With the end of its investment period in 2017, MJOF explored various divestment options to maximise value for its investors. In May 2018, MJOF divested six office assets to Mapletree North Asia Commercial Trust (MNACT)[1] for JPY63,304 million (~S$770.6 million). Three of the four remaining office assets were subsequently divested to domestic parties in October 2018 and the last asset, together with its underlying holding structure, was divested in March 2019. With the full realisation of the fund, MJOF achieved a 1.88 times multiple and net internal rate of return (IRR) of 27.1%[2], attesting to the Group's ability to deliver high returns to its investors.

DELIVERING STABLE RETURNS BACKED BY A STRONG SPONSOR

Mapletree continues to syndicate new private funds to meet investors' needs, as well as deliver strong and sustainable returns to investors via its listed platforms. Strengthening the Group's capital management capability is an important strategy to achieve its optimal capital structure. The Group's four REITs have performed well, having reported credible earnings and consistently delivered solid 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, namely Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and MNACT, performed strongly, achieving an annual distribution yield per unit of between 4.8% and 5.8% in FY18/19.

BROADENING OUR GLOBAL PRESENCE

During the year, Mapletree continued to expand globally in terms of its investment footprint and client coverage. The Group continued to broaden its presence by successfully making acquisitions in the US, Europe, India and Vietnam.

In Vietnam, the Group opened its first serviced apartment development, Oakwood Residence Saigon, and unveiled the design of its new Grade A office twin towers, V Plaza, in March 2019. V Plaza is expected to be completed in 2023 as the largest office complex in District 7 of Ho Chi Minh City.

To date, Mapletree owns and manages more than US$1.09 billion (~S$1.5 billion) of assets in Vietnam.

In November 2018, the Group expanded its portfolio in India when it acquired SP Infocity Park and renamed it as Global Infocity Park Chennai.

The Group is constantly looking out for opportunities to further extend its reach beyond Asia. In October 2018, the Group acquired a 1.53 million sqm logistics portfolio for US$1.1 billion (~S$1.49 billion) across both the US and Europe. The acquisition of this portfolio further marked the Group's deeper penetration into the US and European markets following earlier acquisitions in the lodging sector, commercial properties as well as data centres across these two regions.

Mapletree has become a global real estate entity. The Group endeavours to align the development of current and new products with its investors' evolving investment requirements. Mapletree will continue to grow its capital management business by bringing new private funds and REITs to market.

INVESTMENT ACTIVITIES
& FUND MANAGEMENT

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[3]
Private Funds – Existing						
Mapletree US & EU Logistics Private Trust (MUSEL)	Established with the objective to invest in high quality and strategically located logistics assets in the US and Europe.	2019	The US and Europe	Logistics	7	US$1.8 billion (~S$2.44 billion)
Mapletree Global Student Accommodation Private Trust (MGSA)	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 and the US	Student Accommodation	5	US$535 million (~S$725.5 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$620.8 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 and Mixed-Use	9	US$1,400 million (~S$1,898.5 million)
Mapletree India China Fund (MIC Fund)	Established with the objective of maximising total returns by acquiring, developing and realising real estate projects in China and India.	2008	China and India	Commercial and Mixed-Use	11	US$1,158 million (~S$1,570.4 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 and Residential	14	MYR402 million (~S$133.5 million)
Private Funds – Fully realised						
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. Fully realised and achieved 1.88x multiple and net IRR of 27.1%[2].	2014	Japan	Office Space	Realised	JPY65 billion (~S$791.3 million)

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[3]
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[4] of 15.1%.	2006	Pan Asia	Industrial	Realised	US$299 million (~S$405.5 million)
Mapletree Industrial Trust – Private (MITP)	Held S$1.71 billion of industrial assets acquired from JTC in 2008. Fully realised and achieved 1.5x multiple and net IRR[4] 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[4] of 25.3%.	2005	Pan Asia	All	Realised	S$90 million
Public Listed – REITs						
Mapletree North Asia Commercial Trust (MNACT)	REIT investing in a diversified portfolio of income-producing commercial real estate in Greater China[5] and Japan.	2013	Greater China and Japan	Commercial	–	S$4,585 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$4,616 million
Mapletree Industrial Trust (MIT)	REIT investing in a diversified portfolio of income-producing properties used for industrial purposes in Singapore and the US.	2010	Singapore	Industrial	–	S$3,048 million
Mapletree Logistics Trust (MLT)	First Asia-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	Pan Asia	Logistics	–	S$4,232 million

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

2 After expenses, taxes and base fee but before carried interest. Returns subject to post-closing reconciliation adjustments in July 2019.

3 Total fund size for private funds; NAV attributable to unitholders for listed REITs as at 31 March 2019.

4 After expenses, taxes and base fee but before carried interest.

5 MNACT's Greater China 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). MNACT's overall investment mandate has been expanded to include Japan with effect from February 2018.

IMPACTING COMMUNITIES IMPACTING LIVES

At Mapletree, the focus on growth extends to our Corporate Social Responsibility (CSR) programmes. We continue to support initiatives that are aligned to our four key pillars – the arts, education, environment and healthcare. In FY18/19, we continued our sponsorship of The TENG Ensemble, and started supporting the School of the Arts and the Singapore Institute of Technology. In addition, we also intensified our Staff CSR Programme by funding a record number of 14 staff-led projects in countries where Mapletree has a business presence.

In FY18/19, as Mapletree continued on our sustainability journey, we took an active step to support the United Nations' adoption of the 2030 Agenda for Sustainable Development. We matched our material environmental, in social and governance factors to the Sustainable Development Goals, and committed to supporting these seven goals:

Futsal Court, Mapletree Business City, Singapore

SUSTAINABILITY REPORT

As a leading real estate development, investment, capital and property management company headquartered in Singapore, Mapletree Investments Pte Ltd (Mapletree) is pleased to present its third Sustainability Report (SR).

Recognising and addressing our sustainability risks and opportunities enable us to operate a successful and responsible business. Our business is constantly growing and evolving, and we have to adapt to the dynamic needs of our stakeholders as well as the communities in which we operate.

SUSTAINABILITY APPROACH

At Mapletree, we strive to create long-term value for our stakeholders by incorporating sustainable practices into our daily operations and activities.

We remain committed to building good relationships with our stakeholders through the following key activities:

- minimising the environmental footprint of our business;
- safeguarding the health and safety of our employees and stakeholders;
- supporting projects that have a positive impact on local communities; and
- maintaining high ethical standards.

SUSTAINABILITY GOVERNANCE

A strong governance structure enables us to implement our sustainability strategy across the Group, strengthen relations with stakeholders as well as ensure overall accountability.

Our commitment to sustainability begins at the top with the oversight of the Group's Board of Directors and the Boards of the real estate investment trust (REIT) Managers namely Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), Mapletree Commercial Trust (MCT) and Mapletree North Asia Commercial Trust (MNACT)[1]. Our Sustainability Steering Committee (SSC) continues to refine the Group's sustainability strategy, manage the overall sustainability performance, set targets as well as review management policies and practices regularly.

The SSC is co-chaired by the Deputy Group Chief Executive Officer and Group Chief Corporate Officer (GCCO) and consists of the four Chief Executive Officers (CEOs) of the REITs as well as other members of Mapletree's senior management across various functions. Supporting the SSC, the Sustainability Working Committee helps implement, execute and monitor the sustainability policies and practices.

SCOPE OF REPORT

This report covers Mapletree's sustainability data during the period of 1 April 2018 to 31 March 2019 (FY18/19). The property-specific data presented in this report is applicable to properties within Mapletree's non-listed portfolio in Singapore, while the other information disclosed in this report pertains to Mapletree unless stated otherwise. The four listed REITs have published their own SRs.

MATERIALITY AND THE SUSTAINABLE DEVELOPMENT GOALS

The Group made reference to the GRI Standards (2016) Materiality Principle and reviewed the material environmental, social and governance (ESG) factors of the previous reporting period. Based on the local and global sustainability trends, current business context and stakeholders' expectations, the material factors for FY18/19 remained unchanged.

In FY18/19, as we continue on our sustainability journey, we are taking an active step to support the United Nations' adoption of the 2030 Agenda for Sustainable Development. We matched our material ESG factors to the Sustainable Development Goals (SDGs), and committed to supporting seven goals most relevant to our business.

The following table outlines the Group's material factors, which are mapped to the SDGs that are relevant to our business. It also summarises our commitments to contributing to the achievement of the SDGs.

Sustainable Development Goal	Material Factors	Mapletree's Commitments
Good Health and Well-Being	• Health and Safety • Local Communities	• Maintain a safe environment for our employees, tenants, third-party service providers/contractors and visitors to our premises • Contribute to the communities in which we operate, especially in the four key Corporate Social Responsibility (CSR) pillars of the arts, education, the environment and healthcare
Affordable and Clean Energy	• Energy	• Continually seek innovative ways to enhance energy efficiency, and to use renewable energy where possible
Decent Work and Economic Growth	• Economic Performance[2] • Talent Retention[3]	• Achieve sustainable economic growth in order to provide strong returns to our stakeholders • Maintain a safe environment for our employees • Provide a positive work environment for employees with equal opportunities, fair compensation and benefits as well as continuous development opportunities
Industry, Innovation and Infrastructure	• Energy • Water	• Endeavour to have all our properties achieve BCA Green Mark ratings and higher • Reduce the energy intensity of our properties by improving their energy performance and efficiency
Reduced Inequalities	• Talent Retention	• Commit to implementing fair employment practices by ensuring we adopt best practices in our hiring process and offer equal opportunity to all potential candidates
Climate Action	• Energy • Water	• Participate in events such as Earth Hour and Earth Day to raise public awareness for climate action
Partnerships for the Goals	• Local Communities • Anti-corruption • Compliance with Laws and Regulations	• Support initiatives and projects that have a positive impact on local communities • Work and collaborate with relevant authorities to achieve regulatory compliance • Maintain zero incidences of non-compliance with anti-corruption laws and socioeconomic regulations

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

To have an effective sustainability strategy, we need to understand our stakeholders' concerns and expectations. Regular stakeholder engagement helps us identify, understand and communicate the issues which are of most importance to our stakeholders and in turn enhance our performance management.

The table below shows Mapletree's stakeholder engagement approach throughout the year and the topics of interest to our key stakeholders. These are the key stakeholder groups which either have a significant impact on, or are significantly impacted by, our sustainability performance.

Key Stakeholder	Engagement Methods	Key Topics of Interest
Investors 	Timely and transparent updates of annual financial results and announcements, business developments, and other relevant disclosures via key channels One-on-one meetings and site visits during the year	• Sustain profitability • Transparent reporting • Sound corporate governance practices • Active portfolio management • Business strategy and outlook
Tenants – existing and potential 	Regular formal or informal tenant gatherings, meetings and feedback sessions to exchange ideas and update on important initiatives and matters Established channels of communication for tenant and property-related issues throughout the year One-on-one meetings and site visits during the year	• Safe and secure office premises • Responsiveness to tenant requests and feedback • Competitive rental rates and locations
Employees 	Immersion programme for new employees during the year Training and development programmes throughout the year Career development performance appraisals during the year Recreational and wellness activities throughout the year Regular e-mails, meetings, and an annual Staff Communication session	• Equitable remuneration • Fair and competitive employment practices and policies • Safe and healthy work environment • Focus on employee development and well-being
Government and Regulators 	Meetings and dialogue sessions during the year Membership in industry associations such as the REIT Association of Singapore (REITAS)	• Compliance with, and keeping abreast of changing laws and regulations
Business Partners (e.g. Third-Party Service Providers) 	Regular meetings, dialogue and site-walk sessions with service providers, property managers and development managers Established channels of communication throughout the year	• Equitable treatment of business partners • Regular and punctual payments upon enlistment of service

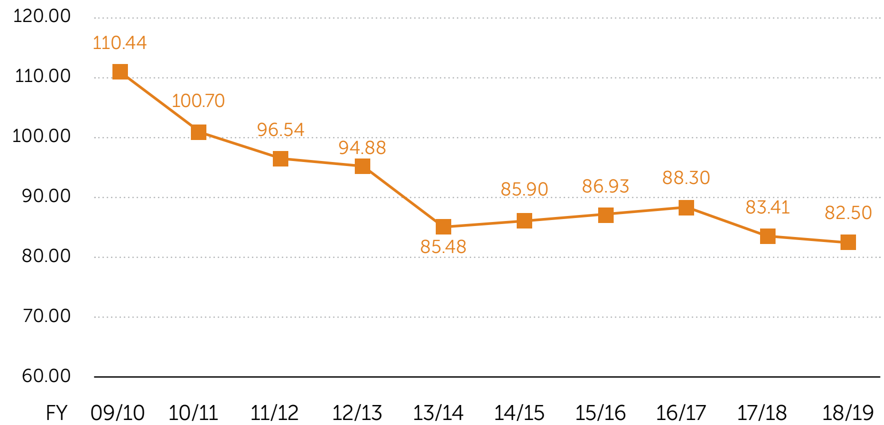
ENVIRONMENTAL RESPONSIBILITY

Although Mapletree published its inaugural SR two years ago in FY16/17, environmental conservation has been a big part of the Group's agenda long before that. Mapletree has always placed great emphasis on protecting our environment, and focused on implementing sustainability initiatives as part of our property development and management. Throughout the years, the Group rolled out numerous initiatives to improve the energy and water efficiency of its major commercial assets. Mapletree also adopts sustainable designs for its developments to reduce negative environmental impact and to ensure the health and safety of its buildings' occupants, thereby improving building performance and tenant satisfaction.

Sustainable design principles that Mapletree has employed include optimising site potential, minimising non-renewable energy consumption, use of environmentally friendly products, and continually optimising operational and maintenance practices. These efforts have paid off as Mapletree's building energy intensity[4] for the four stabilised sites in Singapore, namely HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark, have been on a downward trend over the past 10 years, from 110.44 $kWh/m^2/yr$ (~28 million kWh/yr) to 82.50 $kWh/m^2/yr$ in FY18/19 (~21.6 million kWh/yr). Mapletree's water consumption intensity[5] has also consistently decreased from 1.40 $m^3/m^2/yr$ (~357,000 m^3/yr) to 0.90 $m^3/m^2/yr$ in FY18/19 (~237,000 m^3/yr).

ENERGY INTENSITY

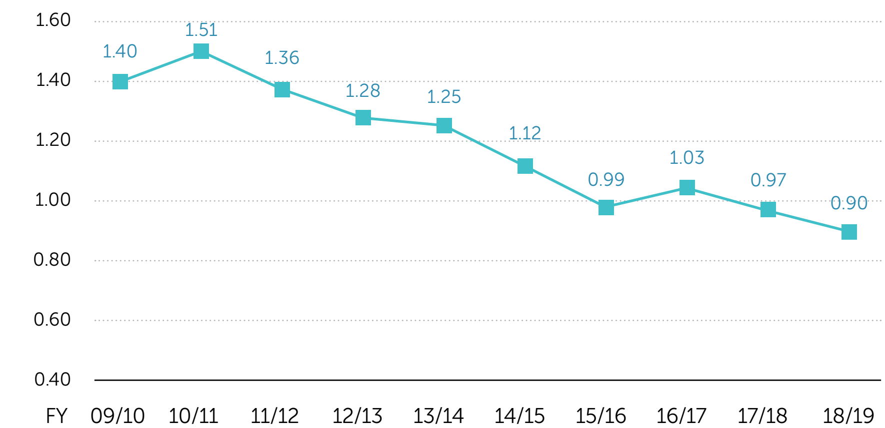
($kWh/m^2/yr$)



Note: According to the National Environment Agency (NEA), 2016 was the warmest year on record. Hence, energy intensity rose due to increased usage of air-conditioning to cool the properties.

WATER INTENSITY

($m^3/m^2/yr$)



Note: As 2016 was the warmest year on record, water intensity rose due to increased water usage for the chiller systems.

By 2030, we aim to reduce the landlord energy consumption for our stable assets by 25%, with reference to the energy consumption levels in FY09/10.

Green Buildings

Mapletree is committed to building and investing in properties with innovative and functional concepts. These include integrating sustainability into architectural design, building details, construction as well as maintenance activities. In Singapore, we continue to support the Building and Construction Authority's (BCA) Green Building Masterplan to shape a safe, high quality, sustainable and friendly built environment. Over the years, the Group has obtained many Green Mark Awards by BCA and the Leadership in Energy and Environment Design (LEED) certifications which demonstrate our best-in-class building strategies and practices. Six of the Group's properties have achieved the BCA Green Mark Platinum Awards – the highest accolade. This award is given by BCA in recognition of the buildings' environmental impact and performance. In addition, seven of our properties have achieved LEED certifications.

SUSTAINABILITY REPORT

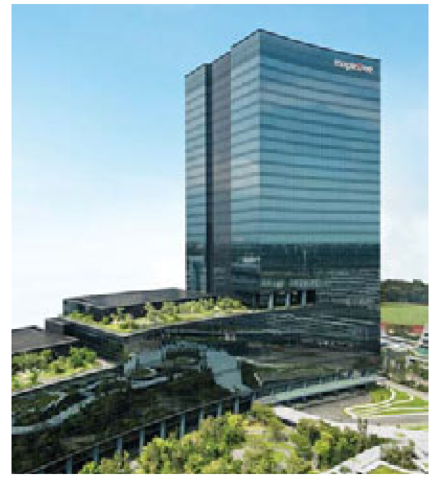
The Group's properties and awards are listed below.

Property in Singapore	BCA Green Mark Award
1 and 1A Depot Close (MIT)	Platinum
HarbourFront Centre (Mapletree)	Platinum
Mapletree Anson (MCT)	Platinum
Mapletree Business City I (MCT)	Platinum
Mapletree Business City II (Mapletree)	Platinum
26A Ayer Rajah Crescent (MIT)	BCA-IDA Platinum
Bank of America Merrill Lynch HarbourFront (MCT)	Gold PLUS
PSA Building & Alexandra Retail Centre (MCT)	Gold PLUS
The Strategy (MIT)	Gold PLUS
18 Tai Seng (MIT)	Gold
30A Kallang Place (MIT)	Gold
978 & 988 Toa Payoh North (MIT)	Gold
HarbourFront Towers One and Two (Mapletree)	Gold
K&S Corporate Headquarters (MIT)	Gold
Mapletree Logistics Hub – Toh Guan (MLT)	Gold
STT Tai Seng I (MIT)	Gold
The Signature (MIT)	Gold
VivoCity (MCT)	Gold

Property in Singapore	LEED Award
26A Ayer Rajah Crescent (MIT)	LEED Gold
Mapletree Business City II (Mapletree)	LEED BD+C 2018: Core and Shell Gold Level
STT Tai Seng I (MIT)	LEED Gold

Property in India	
Global Technology Park Phase 1 (Mapletree)	LEED Gold
Global Technology Park Phase 2 (Mapletree)	LEED Gold

Property in Hong Kong SAR	
Mapletree Bay Point (Mapletree)[6]	LEED Gold
Mapletree Logistics Hub Tsing Yi (MLT)	LEED Gold



MBC II is an award-winning business park designed with environmentally friendly features

Utilities Management
The Group's Property Management (PM) department monitors utilities consumption regularly at all properties, which are under Mapletree's operational control in Singapore. The PM department also continually identifies opportunities to improve energy and water efficiencies.

Energy consumption data for our offices and retail buildings in Singapore is submitted to the BCA annually. In addition, the Group reports its annual water consumption data to the Public Utilities Board (PUB) as part of the Water Efficiency Management Plan requirements.

The Group's PM department continues hosting Monthly Engineering Forums to exchange knowledge about new innovative tech-based solutions that enhance energy and water efficiencies, as well as share best practices among the teams. Compliance processes are also reviewed during the meetings.

Environmental Awareness
To encourage our employees to adopt green practices, we have an ongoing "Mapletree Goes Green"

initiative in the Singapore offices. For example, employees are reminded to print on both sides of the paper and we phased out the use of bottled water. Mapletree continues to be a strong supporter of environment related events, such as Earth Day and Earth Hour.

The Group also actively promotes innovative ways to upcycle materials. We recently partnered with the National University of Singapore (NUS) and the Singapore University of Technology and Design (SUTD) to create a pavilion and a bench made out of recycled balau wood. The balau wood planks were taken from the VivoCity Sky Park when it underwent refurbishment. Both the pavilion and bench are now located at Mapletree Business City II (MBC II).

Mapletree also introduced initiatives to support the Singapore government's efforts to go car-lite. For example, at MBC II, there are designated lots for bicycles, along with showering facilities. Discussions are ongoing with related service providers to increase space allocation for personal mobility device sharing schemes at the Group's properties to encourage greener forms of transport.

The pavilion and bench, which were made out of recycled balau wood, are displayed at MBC II

ENERGY[7]

The Group's main source of energy consumption comes from electricity consumption for our business operations including property management and operations, lighting, air-conditioning and elevators. All greenhouse gas (GHG) emissions are Scope 2[8] emissions, resulting from the generation of purchased electricity.

The Group recognises that energy efficiency not only helps to reduce GHG emissions but also brings cost saving benefits. The Group takes a practical approach and continually seeks opportunities to enhance energy efficiency. According to the National Environment Agency (NEA), 2018 recorded a mean temperature that was 0.5°C higher than 2017's mean. With the hotter climate, the demand for energy, especially to power air-conditioning would have increased proportionately. Hence, the Group employed energy-saving initiatives in FY18/19 as listed in the table below.

In addition, the Group reviews tenants' fit-out designs in commercial buildings to ensure their buildings' lighting and power density are in line with BCA Green Mark's requirements.

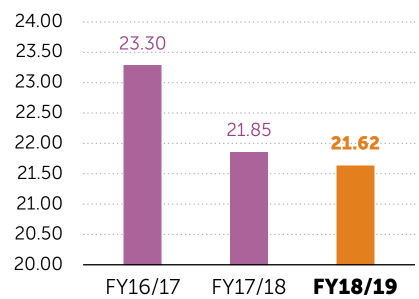
As a result of the aforementioned collective efforts, the energy consumption of the four stable sites decreased by approximately 226,000 kWh or 1% from 21.85 million kWh in FY17/18 to 21.62 million kWh. The decrease in energy consumption was also partially a result of the AHU upgrades that were implemented in FY18/19. Computations showed savings of 242,438 kWh from the AHU upgrades, hence achieving the target we set in FY17/18 of reducing energy consumption by 200,000 kWh in computed savings. The building electricity intensity of the four stable sites decreased 1.1% from 83.4 kWh/m^2 to 82.5 kWh/m^2. As GHG emissions are closely linked to energy use, the GHG emissions of the four stable sites decreased from 9,271 tonnes of carbon dioxide equivalents (tCO_2e)[9] in FY17/18 to 9,064 tCO_2e in FY18/19, reflecting a 2.2% drop.

As further testament to the Group's energy efficiency, even though MBC II's occupancy increased by 39% in FY18/19, energy consumption increased by only 18.6%. Similarly, 18 Tai Seng[10]'s occupancy increased by 33.4% but energy consumption only increased by 11.6%.

ENERGY-SAVING INITIATIVES	
Installed/implemented high energy efficiency products and equipment • HarbourFront Centre: - Upgraded 11 ageing sets of air handling units (AHUs) and 14 sets of fan coil units (FCUs) to new and more efficient units - Replaced PLC/Metal-halide lighting at the common corridor, carpark and retail mall areas to more efficient light emitting diode (LED) lightings • PSA Vista: - Replaced T5 lighting with more efficient LED lightings at the carpark	**Adjusted operational settings to achieve building optimisation** • HarbourFront Towers One and Two: - Adjusted and optimised pre-cooled AHU temperature control settings - Reduced and optimised Condenser Water Pump VSD speed • PSA Vista: - Ran smaller capacity 200RT chillers instead of the bigger capacity 400RT chillers during weekends - Installed photo sensor to optimise lighting usage at link bridge

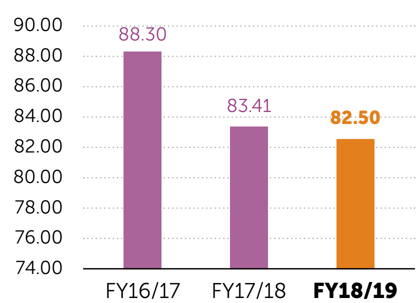
ENERGY CONSUMPTION

(million kWh)



ENERGY INTENSITY

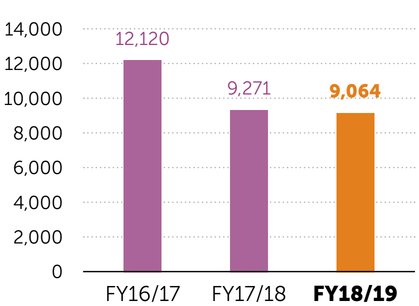
(kWh/m²/yr)



Note: Energy consumption and energy intensity of the four stable sites include HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, and Tanjong Pagar Distripark in Singapore

GHG EMISSIONS FROM ELECTRICITY

(tCO_2e)



PERFORMANCE AGAINST FY18/19 TARGETS

ACHIEVED

- The landlord energy consumption of all stabilised Singapore Investments (SI) sites fell 1% from FY17/18 baseline which was within the target of ±5%
- Maintained BCA Green Mark ratings and higher for all properties that are Green Mark rated
- Implemented AHU upgrades which resulted in computed savings of 242,438 kWh, hence achieving the target of reducing energy consumption by 200,000 kWh/year (computed savings)

TARGETS FOR FY19/20

- Reduce the landlord energy consumption of all stabilised SI sites by 1% from FY18/19's baseline
- Maintain BCA Green Mark ratings and higher for all properties that are Green Mark rated

MBC II uses NEWater, or high-grade reclaimed water, as a non-potable water source for the development's cooling tower systems

The target for the forthcoming year has been set for all Singapore Investments (SI) sites with stabilised occupancy in FY18/19 to reduce landlord energy consumption by 1% from FY18/19's baseline, with the presumption that there will not be significant change to energy consumption due to external factors (including weather patterns, business operations and occupancy changes). This reflects our commitment to the SDGs – Goal 7 (Affordable and Clean Energy), Goal 9 (Industry, Innovation and Infrastructure), as well as Goal 13 (Climate Action).

WATER

Water consumption is an essential part of our business operations. Mapletree is committed to providing clean and uninterrupted water supply to its stakeholders. Water used at Mapletree's properties in Singapore was mainly provided by the Public Utilities Board (PUB). The Group recognises the importance of using water responsibly to protect the water sources as well as prevent any potential damages caused by water stress.

Sustainable use of water is an integral part of our operations. The Group continues to improve water efficiency by monitoring water consumption, implementing water-saving measures and initiatives as well as increasing the use of recycled water.

Water-saving measures are established across the Group throughout the design, development and operation processes. These include water cooling towers with proper water treatment, collection of condensates from AHUs and rainwater, as well as the use of water-efficient fittings. Cooling tower systems also use non-potable water sources such as NEWater, a type of high-grade reclaimed water.

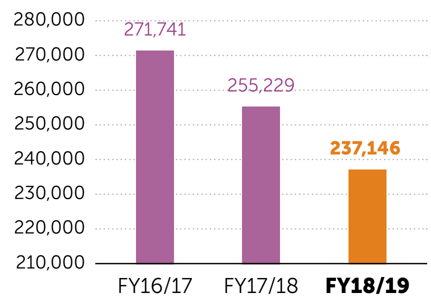
The key water-saving initiatives implemented in FY18/19 include:

- ensured that all building system operations' schedules and settings are maintained;
- ensured building systems' maintenance is carried out effectively to maintain equipment efficiency;
- maintained cooling tower's cycle of concentration (COC) to ≥ 7;
- monitored water usage to identify and fix any wastage;
- used PUB's Water Efficiency Labelling Scheme sanitary fittings and accessories for toilets;
- used NEWater where possible and practical;
- adjusted pressure-reducing valve settings at some properties to reduce the water flow rate, resulting in lower consumption for the toilet flushing system; and
- reduced the minimum storage capacity in the rainwater harvesting tank to increase the volume of rainwater that can be harvested.

In FY18/19, the total water consumption[11] of the four stable sites decreased from 255,229 m^3 to 237,146 m^3. The water intensity[12] of the four stable sites for FY18/19 was 0.90 $m^3/m^2/yr$, a 7% decrease from FY17/18. MBC II harvested 13,475m^3 of rainwater, and the amount of NEWater consumed at MBC II increased 12% from 112,792 m^3 in FY17/18 to 126,267 m^3 in FY18/19 and total water consumption was 129,721 m^3. For 18 Tai Seng, its water consumption in FY18/19 was 58,863 m^3.

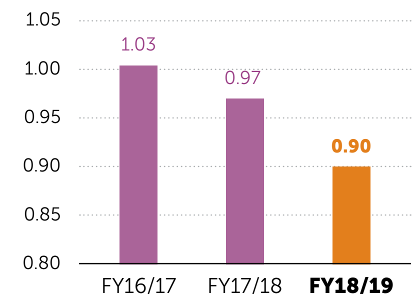
WATER CONSUMPTION

(m^3)



WATER INTENSITY

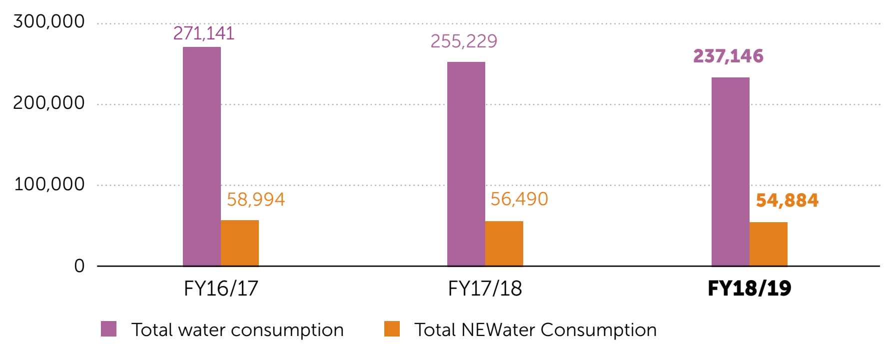
($m^3/m^2/yr$)



Note: The four stable sites measured are HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark in Singapore.

ANNUAL NEWATER CONSUMPTION

(m^3)



PERFORMANCE AGAINST FY18/19 TARGET
ACHIEVED • The landlord water consumption of all stabilised SI sites fell 7% from FY17/18 baseline
TARGET FOR FY19/20
• Maintain landlord water consumption of all stabilised SI sites within FY18/19's baseline

Waste Management
Even though waste management is not a material issue to us, we are committed to managing the waste generated at our properties. The collection and disposal of waste is carried out by NEA licensed contractors. We encourage our tenants and visitors to recycle by providing recycling bins at prominent and high traffic areas throughout our properties. In FY18/19, we collected 2,903 tonnes of waste, of which 173 tonnes were recycled.

OUR PEOPLE AND THE LOCAL COMMUNITIES

We firmly believe that a high-performing company is the result of its employees. As an employer, we have a duty to ensure that we provide a safe, risk-free and positive work environment for our employees, in order for them to excel in their roles.

Health and Safety
Safeguarding the health and safety of our employees, customers and third-party service providers (TPSPs) within our properties is fundamental to the long-term success of our business. The Group continues to foster a strong safety culture and improve our health and safety measures.

Mapletree has a set of health and safety prevention and control measures in place. For example, emergency response drills (for fire and safety) were tested and fine-tuned at all Singapore properties during the year. The PM teams in Singapore also have personnel who are trained in first-aid and fire-fighting, and can provide assistance in case of emergencies.

Our incident reporting protocol allows timely investigation and incident management in the event of any serious construction incidents at any Mapletree development sites. Mapletree complies with the Ministry of Manpower's (MOM) reporting requirements in relation to workplace incidents.

Health and Safety of Employees
In Singapore, our health and safety policies are outlined in the Employee Handbook, which is provided to all employees. We continue to carry out various health and safety related courses to enhance awareness among our employees and monthly training calendar reminders are sent to remind staff to attend courses. Our employees are also encouraged to volunteer as Mental Health First Aiders. The courses conducted in FY18/19 include:

- Mental Health First Aid (Singapore);
- Company Emergency Response Team (CERT) First Aid;
- Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED);
- Assisting Individuals in Crisis and Stress Management;
- Work at Height;
- Fire Safety Manager briefing;
- Fire and Emergency response at the workplace/buildings; and
- Equipment handling.

Health and Safety of Tenants and TPSPs
The health and safety of our tenants and TPSPs (e.g. contractors) are equally important to us. Our tenants are provided with a Fit-out Manual, which includes clauses on safety rules and guidelines. The manual also encourages the use of environmentally friendly products which do not create Indoor Air Quality issues.

Health and safety standards remain one of the key selection criteria when we engage the TPSPs. We subcontract construction works only to qualified and competent TPSPs via an assessment scheme. This risk based assessment includes, but is not limited to, safety tracking records, ISO and Occupational Health and Safety Assessment Series (OHSAS) certifications. Safety measures, including due diligence, are initiated as early as possible by Mapletree's Group Development Management department when a new TPSP is pre-qualified and engaged. In FY18/19, 29 new suppliers were assessed and engaged, of which 24 were consultants and five were contractors.

To mitigate health and safety risks, our standard contract terms determine the safety accountabilities and require main contractors to provide protective apparel and safety devices, as well as comply with all prevailing laws and regulations. Prior to the commencement of a new project, contractors are required to submit a Risk Management Plan for review before implementation. In addition, onsite safety audits are conducted on a regular basis to ensure compliance.

Health and Safety Performance
As a result of our commitment to uphold the highest safety standards, we maintained a good record of our safety performance in FY18/19. There were zero workplace fatalities during the same period as well as no material

PERFORMANCE AGAINST FY18/19 TARGETS

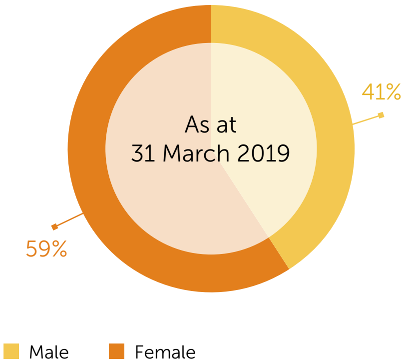
ACHIEVED

- Maintained zero major accidents resulting in employee permanent disability (Singapore staff only) or fatalities
- Maintained zero fatalities for TPSPs and tenants (fatality due to safety hazard within building i.e. not suicide or self-inflicted)

TARGETS FOR FY19/20

- Zero incidents resulting in employee permanent disability or fatality (Singapore staff only)
- Zero fatalities for TPSPs and tenants (fatality due to safety hazard within building i.e. not suicide or self-inflicted)

GROUP'S WORKFORCE IN SINGAPORE



incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of buildings.

The Group has taken the necessary precautions to ensure that employees' health and safety are not compromised.

Our targets for the forthcoming year are to ensure that there are no incidents resulting in permanent disability or fatality of our employees, as well as ensuring zero fatalities for TPSPs and tenants.

This is aligned to our commitment to Goal 3 (Good Health and Well-being) of the SDGs.

Talent Retention

At Mapletree, our employees are our key resources and contribute to the Group's overall success. We continuously enrich our employees' experience through creating an inclusive, diverse, collaborative and rewarding work environment.

We are committed to implementing fair employment practices and ensuring compliance with local labour laws. Our Employee Handbook documents the various Human Resources (HR) policies and initiatives we have in place including our Hiring Policy, Equal Opportunity Policy and Learning and Development Policy.

This underscores the Group's commitment to Goal 8 (Decent Work and Economic Growth) as well as Goal 10 (Reduced Inequalities) of the SDGs.

A Diverse Workforce

At Mapletree, we had an average workforce of 970 in Singapore for FY18/19. The Group has various recruitment programmes, such as the Mapletree Associate Programme, Mapletree Executive Programme, Mapletree Internship Programme and Work Placement Programme to identify and recruit diverse high-quality talent at all levels for the Group. The Group's Hiring and Equal Opportunity policies ensure we continue to adopt best practices in our hiring process, and offer equal opportunity to all potential candidates. The hiring rate increased from 1% in FY17/18 to 2% in FY18/19 and the turnover rate remains at 1% in FY18/19. We continue to maintain a diverse workforce in terms of age and gender as shown in our employee profiles.

Mapletree staff discussed a problem during the Lean Thinking training session

	Male	Female
< 30 years old	9%	21%
30 – 50 years old	71%	70%
> 50 years old	20%	9%

Talent Development

The Group's continuous focus and investments in employee training and development enhances employees' competency and motivation which in turn contributes to its business growth and success.

We continue to provide our employees with a suite of comprehensive and relevant programmes and initiatives, such as;

- on-boarding programmes for new hires including the Mapletree Immersion Programme, Understanding Delegation of Authority, SAP Systems Training and in-conversation sessions with senior management;
- leadership programmes such as Mapletree Leadership Programmes and Mapletree Performance Management workshops;
- in-house training including market updates, interviewing skills workshops and Lean Thinking training; and

- functional and technical training by external course providers for relevant employees.

Hence, with the plethora of courses available, we have achieved our target of maintaining a diverse and relevant learning and professional development programme for employees.

We take a fair performance-driven approach to motivate and reward our employees. We have a robust e-performance appraisal system that aligns evaluation practices across different countries, tracks key performance indicators and measures employees' personal development progress.

Employee Engagement
The Group values employees' feedback and is committed to addressing their concerns. An Employee Engagement Survey (EES) is conducted every two to three years to measure the engagement level of employees and solicit feedback on different aspects of the work environment. The latest EES conducted in FY17/18 received a high response

Mapletree EduAward presentation ceremony for Singapore-based employees' children at MBC

PERFORMANCE AGAINST FY18/19 TARGETS

ACHIEVED

- Continued to commit to fair employment practices by ensuring we adopt best practices in our hiring process and offer equal opportunity to all potential candidates
- Employees were provided with learning and development opportunities
- Implemented appropriate action plans in response to the EES conducted in FY17/18

TARGETS FOR FY19/20

- Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits
- Maintain a diverse and relevant learning and professional development programme
- Hold employee town hall meetings once a year

Mapletree's first mass walk was held in conjunction with the official launch of the MBC Jogging Trail rate of 95% and provided valuable insight into key issues affecting our employees.

Operating efficiency and employee well-being were the key focus areas arising from the survey results for the Group and various initiatives were carried out to improve these areas. With the push for operating efficiency, several work groups have started to review and streamline their processes to achieve greater productivity and collaboration. In the area of employee well-being, a review of the benefits was conducted and the Group has since enhanced the Insurance & Medical Benefits Programme and further introduced new benefits such as Birthday Leave and increased the quantum for Long Service Awards.

With these steps, the Group achieved the target of implementing appropriate action plans in response to the EES conducted in FY17/18.

Employee Well-being

At Mapletree, we firmly believe that the well-being of our employees is important to ensure that they are able to stay productive and engaged. Our employees actively participated in social activities organised by the Recreation Club such as the Durian Fest 2018 and the Mapletree Family Movie Event 2018 – Marvel's Ant-Man and the Wasp.

The Group continues to provide cash awards (ranging from S$150 to S$500) for the children of Singapore-based employees who have achieved outstanding academic results through the Mapletree Education Award (EduAward). 93 awards with a total amount of S$21,500 were awarded in FY18/19.

In FY18/19, the Group introduced the Wellness@Mapletree programme. Organised by the HR team, the programme included mass circuit training sessions, mass walks and health workshops for employees. Spearheaded by the HR team, the programme included mass circuit training sessions, mass walks and health workshops for employees. To encourage greater participation, the effort was supported by a mobile application with a community page for like-minded employees to come together organically and organise group wellness activities.

For FY19/20, the Group's targets remain largely the same, with an additional target of holding an employee town hall meeting at least once a year.

Local Communities

Mapletree commits to long-term partnerships with stakeholders and beneficiaries with sustained outcomes. The Group endeavours to contribute and give back to the communities we operate in.

Corporate Social Responsibility (CSR) Framework

Mapletree's CSR approach is guided by two broad objectives of empowering individuals through supporting educational and healthcare initiatives, as well as enriching communities with the arts, functional design, and building environmentally sustainable real estate developments. With these two objectives, the Group's CSR efforts focuses on four key CSR pillars – the arts, education, the environment and healthcare. All CSR initiatives are based on definable social outcomes, long-term engagement and staff volunteerism opportunities.

Our CSR commitment is closely aligned to the Group's business performance. For every S$500 million of profit after tax and minority interests (PATMI)[13], or part thereof, S$1 million is set aside annually to fund CSR programmes. A dedicated five-member CSR Board Committee provides strategic oversight of the Group's CSR efforts. The CSR Board Committee comprises Mapletree's Chairman, two Board representatives from the REITs (rotated on a two-year basis) and senior management.

CSR Activities

Supporting Tertiary Education

Mapletree believes in empowering and nurturing the next generation through its CSR's education pillar. The Group supported the following programmes in FY18/19:

- increased the number of Mapletree Bursary Awards from five to eight awards per year to SUTD students who need financial assistance with an additional endowment of S$300,000;

- kickstarted and supported the Singapore Institute of Technology (SIT) with a fund of S$200,000 to launch "The Mapletree Challenge" as a two-year pilot project, providing SIT undergraduates with essential interview and presentation skills;

- donated S$20,000 to the Charity Book Launch of "Tall Order: The Goh Chok Tong Story" to raise funds for the Mediacorp Enable Fund to help people with disabilities and special needs, and Edugrow for Brighter Tomorrows to help underprivileged young students;

- assisted needy students with a donation of RMB2,250,000 (~S$450,000) for three years by providing school bags and hearing aids in Foshan, China, through a partnership with Nanhai Charity Society; and

- committed to an endowed donation of HK$2 million (~S$350,000) to the City University of Hong Kong to establish the Mapletree Scholarship and Mapletree Exchange Scholarships with a maximum of eight awards annually.

SUSTAINABILITY REPORT

Home & Away Fleece Jacket Giveaway 2018

Following FY17/18's successful inaugural "Home & Away with Mapletree" fleece jacket giveaway held at VivoCity, Singapore, the event was expanded to other Mapletree retail malls, namely Jaya Shopping Centre in Petaling Jaya, Selangor, Malaysia, and Festival Walk in Kowloon Tong, Hong Kong SAR, in July and August 2018 respectively. In addition to students studying in the United Kingdom (UK), the giveaway was also extended to those studying in the United States (US) and Canada. On top of being part of the Group's support for education, the roadshows also provided students with information on Mapletree's student accommodation offerings.

Mapletree Real Estate Programme at Singapore Management University (SMU)

As part of the Mapletree Real Estate Programme at SMU that was launched in January 2018 with a S$3 million endowed donation, a number of events were held in 2018. The inaugural Mapletree Annual Lecture on "How to Grow Singapore into a Premier Financial Centre for Global Real Estate Investments" was held in November 2018, followed by the Mapletree-SMU Real Estate Forum in February 2019, which provided insights into the real estate sharing economy through a panel discussion.

Besides the Annual Lecture and Forum, the donation also funds the Mapletree Real Estate Business Study Trip Grant, which supported an overseas study trip for 26 students to Shanghai and Hangzhou, China, in October 2018.

Students who are Singaporean citizens or permanent residents bound for the UK, US and Canada received complimentary fleece jackets at the "Home & Away with Mapletree" event at VivoCity, Singapore in July 2018

A panel discussion at the inaugural Mapletree Annual Lecture held in November 2018

Open category champions from Google Asia Pacific at the Mapletree Futsal Challenge 2019, a joint CSR initiative between Mapletree and MBC tenants to raise funds in support of youth intervention programmes

Mapletree expanded the Youth Futsal Camp to two days and reached out to more than 60 youths

Continued Support for Youths-at-risk

Mapletree has been a strong supporter for at-risk youths since 2012. To date, Mapletree has contributed more than S$720,000 to support the education, sports and arts programmes of local voluntary welfare organisations, focusing on assisting youths from challenging financial backgrounds.

In 2016, the Mapletree Youth Resilience Programme (MYRP) was launched to provide long-term financial aid to youths from disadvantaged backgrounds who showed the potential and commitment to pursue an education. To date, Mapletree has provided more than S$138,000 of financial support for the youths through MYRP and continued its support for 11 youths across three local voluntary welfare organisations in FY18/19. MYRP's funding goes towards education needs including school fees, transport allowance and the purchase of textbooks.

The second edition of the Mapletree Youth Futsal Camp was held on 22 and 23 November 2018 at MBC for more than 60 youths, aged between 10 and 18 years, to kickstart their school holidays. The two-day event was attended by youths from Mapletree's beneficiary, Beyond Social Services (BSS), children of employees and tenants working in the Alexandra Precinct, as well as students from two South Zone secondary schools. Participants learnt basic futsal techniques, rules of the game and engaged in friendly matches.

On 21 and 22 March 2019, 20 teams participated in the Mapletree Futsal Challenge 2019 at MBC. The teams were from Mapletree, MBC tenants, tertiary education institutes and youth beneficiaries. This was a significant increase from the 12 teams that took part last year. Donations from participating tenants were matched by Mapletree, and together, a record of over S$15,000 was raised for youth and education related programmes organised by BSS and Boys' Town.

Staff Volunteerism

The Mapletree Staff CSR Programme was launched in 2014 to encourage employees to lead ground-up CSR initiatives. Employees were encouraged to form teams and submit ideas, and selected teams were awarded seed funding of S$5,000 to carry out their activities. The criteria for the award of seed

SUSTAINABILITY REPORT

funding include the quantifiable impact of the initiative, staff commitment, and long-term partnership with the beneficiaries.

In FY18/19, a total of 14 teams carried out staff CSR projects, seven more teams than the previous year. The teams were from our offices in Singapore, Australia, Greater China, Japan, the UK, the US and Vietnam.

First-time recipients of the seed funding and their projects are as follows:

- Sydney, Australia – Participated in "Cooking for a Cause" where leftover produce was cooked and delivered to needy families
- Chongqing, China – Distributed winter clothes to underprivileged students at a public school
- Foshan, China – Organised a holiday camp for migrant workers' children in Nanhai, Foshan
- Hong Kong SAR – Facilitated an art and craft session for elders at Caritas Harold H.W. Lee Care and Attention Home
- Singapore – A team comprising staff from MNACT partnered Food Bank Singapore to pack and distribute food bundles to needy communities near Mapletree's properties
- Singapore – Staff from Group Corporate Services celebrated the Lunar New Year with elderly from St. Andrew's Nursing Home (Henderson)
- Ho Chi Minh City (HCMC), Vietnam – Carried out minor renovation works to improve a primary school where most of the students are from low income families

Mapletree staff volunteers from the Sydney office participated in "Cooking for a Cause"

Minor renovation works were carried out by Mapletree staff from the Vietnam office at a primary school where students were from low income families in HCMC, Vietnam

Mapletree staff from the Chicago office coached children from the Inner-City Education Program Hockey Club

- Chicago, the US – Supported low income children by providing them with educational opportunities and hockey training

- New York, the US – Partnered Art Start, a non-profit organisation that uses creative arts to transform at-risk youths, to organise and participate in workshops

To further encourage staff volunteerism, in FY19/20, Group aims to award seed funding to staff-led CSR initiatives in at least eight markets where Mapletree has business presence.

Supporting the Arts

Since 2013, Mapletree has supported the arts by bringing them closer to the community with the ongoing quarterly lunchtime performance "Arts in the City" (AITC), organised in collaboration with Singapore National Arts Council (NAC). In addition, the Group provides venue sponsorship for "Arts in Your Neighbourhood" (AYN), a project by NAC at the Group's flagship MBC development.

Some of the highlights included:

- traditional Malay dances by ERA Dance Theatre with hands-on fringe activities including batik painting and angklung playing (AITC, October 2018);

- whimsical black and white characters from French arts group Compagnie des Quidams roved the Plaza, MBC, on stilts and engaged the audience (AYN, November 2018); and

- festive music performances by Ding Yi Music Company and yIN Harmony to usher in the Lunar New Year (AITC, January 2019).

PERFORMANCE AGAINST FY18/19 TARGET

ACHIEVED

- Seed funding was awarded to 14 staff-led CSR projects in eight markets (Singapore, Australia, China, Hong Kong SAR, Japan, the UK, the US and Vietnam) where Mapletree has business presence

TARGET FOR FY19/20

- As we continue to expand globally, we aim to extend the reach and impact of Mapletree's CSR programmes by encouraging and providing seed funding for staff-led CSR initiatives, awarding up to 15 teams in at least eight markets where Mapletree has business presence

Mapletree, in collaboration with Singapore's NAC, hosted complimentary lunchtime performances at its flagship MBC development to bring arts closer to the working community

Mapletree sponsored the venue for NAC's "Arts in Your Neighbourhood" programme

Recipients of the Mapletree-TENG Academy Scholarship received assistance to support their music education

Mapletree also continued our corporate sponsorship of The TENG Ensemble, a critically acclaimed local arts group. Under the sponsorship, Mapletree funded two more public performances and extended the Mapletree-TENG Academy Scholarship to a second batch of scholars.

To expand our support beyond performance arts to visual arts, Mapletree also became the main sponsor for 2019's and 2020's editions of the School of the Arts Primary 6 Art Competition, a nationwide drawing and painting competition organised by the School. The Competition aims to discover young artistic talents and provide them with the platform to showcase their works as well as a stepping stone to further cultivate their passion for visual arts.

Community Feedback
Mapletree has implemented community feedback mechanisms to gather input from the local community with regard to our sustainability approach and those who have been affected by the activities of the company. Members of the public with feedback are welcome to send their concerns to enquiry@mapletree.com.sg.

REGULATORY COMPLIANCE

Good corporate governance underpins the Group's long-term success and ensures investor confidence and business integrity. The Group is committed to conducting its business in accordance with all applicable laws and regulations, in an ethical manner. Mapletree has voluntarily subscribed to some of the core principles set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore. More information about the Group's corporate governance can be found in pages 121 to 125 of the Annual Report.

To foster a culture of responsible and ethical behaviour within the Group, we have a comprehensive set of policies and procedures in place. The policies are made available on the intranet and are accessible to all employees. Such policies and procedures include anti-money laundering checks, securities trading, code of conduct, whistleblowing, contract review as well as anti-corruption. To ensure compliance awareness continues throughout the year, relevant employees are kept up-to-date with the recent developments and changes of applicable laws and regulations through training and communication.

To ensure the effectiveness of risk management, control and governance processes, we have risk management and internal audit processes in place. Cases of threatened or pending litigation are reported immediately to the CEO of the relevant Business Unit, the GCCO and Group General Counsel for timely resolution.

Securities Trading by Employees
Mapletree has an internal policy on prudent trading of securities of the Mapletree group of companies and employees are apprised of insider trading laws regularly. Reminders are issued prior to the start of trading "blackout periods" and employees are required to give pre-trading notifications before any dealings in Mapletree-related securities.

Code of Conduct
Our internal code on General Conduct and Discipline sets out the framework and guidelines for employees on ethical values such as honesty and responsibility, as well as appropriate conduct for our employees.

Whistleblowing
Our Whistleblowing Policy further provides an avenue for employees and external parties to raise concerns about illegal, unethical or inappropriate behaviour observed in the course of our businesses. The reporting channels are handled with confidential safeguards to ensure that whistleblowers are protected from reprisals or victimisation.

Anti-corruption
The Group recognises that our operations in various geographies and engagement with multiple stakeholders in our business activities

PERFORMANCE AGAINST FY18/19 TARGETS

ACHIEVED

Anti-corruption
- Maintained zero incidences of non-compliance with anti-corruption laws and regulations

Compliance with local laws and regulations
- Maintained no material incidences of non-compliance with relevant laws and/or regulations (including environmental compliance, socioeconomic compliance and marketing communications)

TARGETS FOR FY19/20

Anti-corruption
- Maintain zero incidences of non-compliance with anti-corruption laws and regulations

Compliance with local laws and regulations
- Achieve no material incidences of non-compliance with relevant laws and/or regulations

expose us to the risks of bribery and corruption. Mapletree has a zero-tolerance policy towards bribery and corruption and we take precautionary measures to address such risks.

Our policies relating to anti-corruption, the prohibition of bribery, acceptance or offer of gifts or entertainment are strictly reinforced. In addition, our employees are required to adhere to the Group's policies and procedures relating to code of ethics and conduct, as well as conflict of interest.

Compliance with Laws and Regulations

In FY18/19, the Group maintained zero incidences of non-compliance with anti-corruption laws and regulations. There were also no material incidences of non-compliance with relevant laws and/or regulations.

ABOUT THIS REPORT

This report covers the sustainability data of Mapletree during the period from 1 April 2018 to 31 March 2019 (FY18/19). The report should be read together with the financial, operational and governance information detailed in the Annual Report, for a more comprehensive picture of our business and performance. The report will be published on an annual basis.

This report has been prepared in accordance with the GRI Standards (2016): Core option. This is the first year we aligned our sustainability activities and targets with the United Nations Sustainable Development Goals.

Mapletree welcomes your feedback or questions, which can be sent to enquiry@mapletree.com.sg.

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

2 Please refer to Financial Review, Pages 36-50 and Financial Statements, Pages 129-230 for details on Economic Performance.

3 Please see "Employment" in the GRI Content Index for corresponding GRI disclosures.

4 Energy intensity is derived by taking total energy consumption divided by gross floor area (GFA) less vacant lettable area for the four stable properties – HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark in Singapore.

5 Water consumption intensity is derived by taking total water consumption divided by GFA less vacant lettable area for the four stable properties – HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark in Singapore.

6 A sales and purchase agreement to divest the asset was signed in December 2018. It was later completed in May 2019.

7 The energy and GHG emissions data included in this report consists of the following: HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, Tanjong Pagar Distripark in Singapore. The energy consumption and intensity figures in FY16/17 and FY17/18 have been updated in this year's report to reflect the change in FY18/19's reporting scope. MBC II and 18 Tai Seng's data was not disclosed because MBC II's occupancy was not stable throughout the year and 18 Tai Seng was divested to Mapletree Industrial Trust on 1 February 2019.

8 The GHG Protocol Corporate Standard classifies Scope 2 emissions as indirect emissions from the generation of purchased energy.

9 The GHG emissions calculation is based on our annual electricity consumption by referring to the carbon emission factors stated in the Singapore Energy Statistics (Energy Market Authority, 2018).

10 18 Tai Seng was divested to MIT on 1 February 2019. The water consumption data disclosed was measured from April 2018 to January 2019.

11 The water consumption and intensity data included in this report consists of the following: HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, Tanjong Pagar Distripark in Singapore. The water consumption and intensity figures in FY16/17 and FY17/18 have been updated in this year's report to reflect the change in FY18/19's reporting scope.

12 Water intensity was calculated by taking total water consumption and dividing it by GFA less vacant lettable area.

13 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.

GRI CONTENT INDEX

GRI Standards (2016)		Notes/Page number (s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Mapletree Investments Pte Ltd (MIPL)
102-2	Activities, brands, products, and services	Annual Report, Corporate Overview, Pages 6-7
102-3	Location of headquarters	Annual Report, Corporate Overview, Pages 6-7 Annual Report, Our Offices, Page 91
102-4	Location of operations	Annual Report, Corporate Overview, Pages 6-7 Annual Report, Our Offices, Page 91
102-5	Ownership and legal form	Sustainability-Corporate Governance, Pages 121-125
102-6	Markets served	Annual Report, Corporate Overview, Pages 6-7
102-7	Scale of the organisation	Our People and the Local Communities – Talent Retention, Page 107 Annual Report, Corporate Overview, Pages 6-7
102-8	Information on employees and other workers	Our People and the Local Communities – Talent Retention, Page 107 Data was compiled from Mapletree's HR database, and excluded full-time and part-time employees whose contracts are less than a year as they are hired for a short-term and on an ad-hoc basis. Mapletree does not have a significant portion of its activities being carried out by workers who are not employees. Certain property management functions were outsourced to third party service providers. Mapletree did not have any significant variation in employment numbers. The average headcount was derived by adding up the total number of employees at the end of each month and dividing it by 12 to get a more accurate depiction of the staff strength over the year rather than at one point (as at 31 March 2019).
102-9	Supply chain	Not applicable, as supply chain is minimal and insignificant to report on.
102-10	Significant changes to organisation and its supply chain	Not applicable, as supply chain is minimal and there were no significant changes to the organisation.
102-11	Precautionary principle or approach	In general, the precautionary principle is embedded in Mapletree's approach to sustainability.
102-12	External initiatives	Materiality and the Sustainable Development Goals, Pages 98-99
102-13	Membership of associations	Stakeholder Engagement, Page 100

GRI Standards (2016)		Notes/Page number (s)
Strategy		
102-14	Statement from senior decision-maker	Annual Report, Chairman's Message, Pages 8-11
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability-Corporate Governance, Pages 121-125
Governance		
102-18	Governance structure	Sustainability Governance, Page 98
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, Page 100
102-41	Collective bargaining agreements	Not applicable, as no collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 100
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 100
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 100
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report, Financial Statements, Pages 129-230
102-46	Defining report content and topic boundaries	About this Report, Page 115 Materiality and the Sustainable Development Goals, Pages 98-99
102-47	List of material topics	Materiality and the Sustainable Development Goals, Pages 98-99
102-48	Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	About this Report, Page 115
102-51	Date of most recent report	The Annual Report/Sustainability Report for FY17/18 was published on 29 June 2018.
102-52	Reporting cycle	About this Report, Page 115
102-53	Contact point for questions regarding the report	About this Report, Page 115
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Page 115
102-55	GRI content index	GRI Content Index, Pages 116-120
102-56	External assurance	Mapletree has not sought external assurance on this report but may do so in the future.

SUSTAINABILITY REPORT

GRI Standards (2016)		Notes/Page number (s)
Material Topics		
Economic Performance		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Pages 98, 115 Materiality and the Sustainable Development Goals, Pages 98-99, 115 Annual Report – Financial Review and Financial Statements, Pages 36-50, 129-230
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	
Anti-Corruption		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Regulatory Compliance, Pages 114-115
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-3	Confirmed incidents of corruption and actions taken	
Energy		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Environmental Responsibility – Energy, Pages 103-104
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
Water		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Environmental Responsibility – Water, Pages 104-105
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
303-1	Water withdrawal by source	
Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Regulatory Compliance, Pages 114-115
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	

GRI Standards (2016)		Notes/Page number (s)
Employment		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Our People and the Local Communities – Talent Retention, Page 107 Given that our new hire/turnover rate is significantly lower than industry average, the information on new hires and turnover by age/gender/region has not been provided. Instead, please refer to page 107 for the profile of our workforce by age/gender.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
Training and Education		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Our People and the Local Communities – Talent Retention, Page 107
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
404-3	Percentage of employees receiving regular performance and career development reviews	
Occupational Health & Safety		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Our People and the Local Communities – Health and Safety, Pages 106-107 Given that our injury rates are significantly lower than the national average as published by MOM, the information on our injury rates, occupational diseases, lost days and absenteeism has not been provided. Instead, please refer to pages 106 and 107 for information on the number of work-related fatalities.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
403-2	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities by region and by gender	
Local Communities		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Our People and the Local Communities – Local Communities, Pages 109-114
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programmes	

GRI Standards (2016)		Notes/Page number (s)
Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Our People and the Local Communities – Health and Safety, Pages 106-107
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
Marketing and Labelling		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Regulatory Compliance, Pages 114-115
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
417-3	Incidents of non-compliance concerning marketing communications	
Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 98 Materiality and the Sustainable Development Goals, Pages 98-99 Regulatory Compliance, Pages 114-115
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
419-1	Non-compliance with laws and regulations in the social and economic area	

SUSTAINABILITY
CORPORATE GOVERNANCE

As Mapletree continues its business expansion globally, the Group places importance on maintaining good corporate governance practices to ensure investor confidence and business integrity. Although Mapletree is not listed on a stock exchange and therefore not subjected to mandatory disclosures, the Group voluntarily subscribes to some of the core principles set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore.

Mapletree is also committed to establishing long-term value creation and integrating sustainability into its strategy, policies and practices. To this end, Mapletree has voluntarily published its second Global Reporting Initiative (GRI) compliant Sustainability Report which can be found on pages 96 to 120 of this Annual Report.

A) BOARD MATTERS

Board's Conduct of Affairs
Mapletree upholds the principle that an effective Board of Directors (Board) is one that has the right core competencies and diversity of experiences. The collective wisdom of the Board provides strategic guidance and diverse insights to support the Group's Management who 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 11 members, of whom 10 are Non-Executive Directors and Independent Directors. Board committees are also constituted to assist the Board in discharging its duties. The composition of the Board and the various Board committees are detailed on the next page.

Mapletree's Directors are business leaders and distinguished professionals in their respective fields who are appointed based on their professional calibre, experience and stature. The Board was formed with the overall consideration that their collective experiences will bring breadth and depth to the Board's deliberations. The diversified professional backgrounds of the Directors enable the Group's 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, significant acquisitions and divestments. The Board is updated on any material change to relevant laws, regulations and 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 believes that a strong and independent Board composition will prompt broad and in-depth deliberations between the Board and its Management. Apart from the Group Chief Executive Officer (GCEO), who is an Executive Director, all Board members are Independent Directors.

The Board is supported by the Audit and Risk Committee (AC), which oversees financial, risk and audit matters. In addition, other Board committees, namely the Executive Resource and Compensation Committee (ERCC), the Investment Committee (IC) and the Transaction Review Committee (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 GCEO
Mapletree adopts the principle that a clear separation between the roles and responsibilities of the Chairman and the GCEO institutes an appropriate balance of power and authority.

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 Lim Hng Kiang	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	

As a Non-Executive Independent Director, the Chairman guides the Board in constructive debates on 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 GCEO are not related to each other.

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

Board Membership
Mapletree recognises that Board renewal is a necessary 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 GCEO is also subject to retirement and re-election.

Board Performance
Mapletree adopts the principle that the Board's performance is 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 constructive 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 through an orientation programme

which covers the Group's business, strategic direction, risk management policies and governance practices.

The 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. The 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 takes on the approach 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 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's bench strength, so as to build and augment a capable and dedicated management team. In addition, it also 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 GCEO and several key positions in the Group. In this regard, potential internal and external candidates for succession are reviewed for immediate, medium and longer term needs. The ERCC held a total of two meetings in FY18/19.

The GCEO, 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 GCEO 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 North Asia Commercial Trust Management Ltd (MNACTM)[1], which are respectively the real estate investment trust (REIT) Managers of Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust (MNACT), each of which has Mapletree as its 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 MNACTM, 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 embraces the belief 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 system of internal controls and risk management is necessary for the Group's business.

Mapletree has established internal control and risk management systems that address the key operational, financial, compliance and information technology (IT) risks relevant to the Group's business and operating environment. These internal controls provide reasonable but not absolute assurance on the achievement of their intended control and risk management objectives.

SUSTAINABILITY
CORPORATE GOVERNANCE

The key elements of Mapletree's system of controls are as follows:

Operating structure
Mapletree has a well-defined operating structure with clear lines of responsibility and delegated authority, complementing the reporting mechanism to the 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 as well as 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 (IA) department verifies compliance with the control procedures and policies established within the internal control and risk management systems.

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.

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 strategy. In order to safeguard and create value for stakeholders, Mapletree proactively manages risks and embeds the risk management process into the Group's planning and decision-making process.

The Risk Management (RM) department oversees the Enterprise Risk Management (ERM) framework and reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters to the AC and the Board independently on a quarterly basis.

The risk management system, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. Mapletree has identified key risks, assessed their likelihood and impact on the Group's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. RM works closely with the Management to review and enhance the risk management system, with the guidance and direction of the AC and the Board.

More information relating to risk management can be found on pages 126 to 128 of this Annual Report.

Information Technology controls
As part of the risk management process, general IT controls and cybersecurity measures have been put in place and are periodically reviewed to ensure that IT risks and cybersecurity 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 during a crisis.

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 controls
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 MNACT, Mapletree has established a Transaction Review Committee (TRC) to:

(a) resolve any potential conflict of interest that may arise between MNACT 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 FY18/19.

Internal Audit Department
Mapletree adopts the practice that IA reports directly to the Chairman of the AC and administratively to the Group CFO.

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 International 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;
- communicating results; and
- monitoring progress.

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 communication with its shareholders, as well as ensuring equal access to information.

1 Formerly known as Mapletree Greater China Commercial Trust (MGCCT). Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".

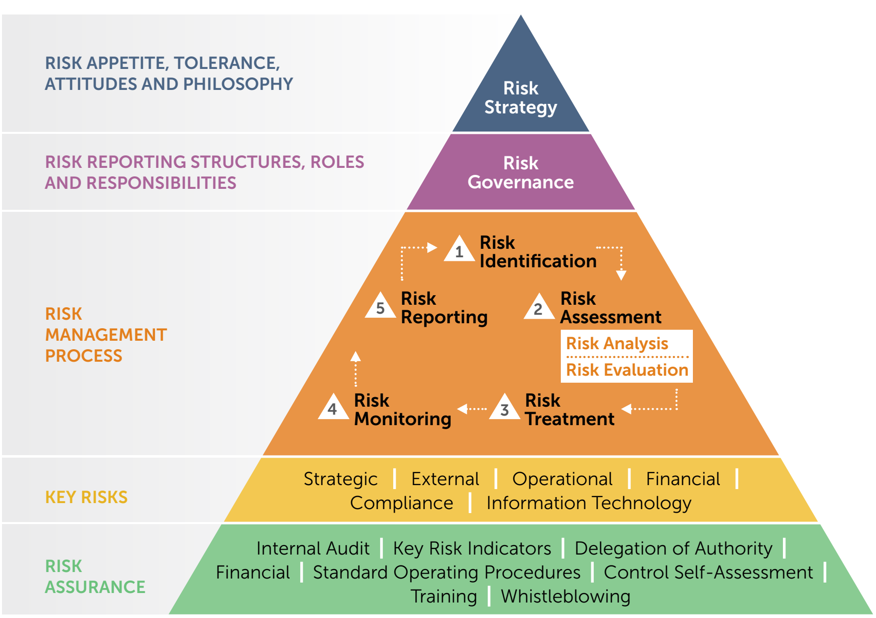
SUSTAINABILITY
RISK MANAGEMENT

Risk management continues to be an integral part of Mapletree's business strategy to deliver strong earnings and sustainable returns. To safeguard and create value for stakeholders, 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 governance, and ensures that the Management implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which sets out the nature and extent of risks to take in order to achieve the Group's business objectives. The Board, which is supported by the Audit and Risk Committee (AC), comprises directors whose collective diverse experience and knowledge serve to give guidance and provide strategic insights to 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.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



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 for Mapletree, and is integrated with operational processes for effectiveness and accountability.

Mapletree's Enterprise Risk Management (ERM) framework is adapted from the International Organization for Standardization under ISO 31000 Risk management. It is dynamic and evolves with the business, thus providing 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 continuously review and enhance the risk management system, under the guidance of the AC and the Board. A group-wide control self-assessment (CSA) framework further reinforces risk awareness by fostering accountability, control and risk ownership, and provides 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. 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.

The VaR methodology measures risks consistently across Mapletree's portfolio of assets. It enables the Management to quantify the benefits that arise from diversification across the portfolio of assets and to assess risk by countries, sectors and risk types. Recognising the limitations of any statistically based system that relies on historical data, Mapletree's portfolio is subject to stress tests and scenario analyses to ensure that the Group remains resilient in the event of unexpected market shocks.

RISK IDENTIFICATION AND ASSESSMENT

The Management identifies key risks, assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls. This 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

Market risk

Mapletree's portfolio is subject to real estate market risks such as rental rate, occupancy volatilities and country 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.

Investment risk

Mapletree adopts a rigorous and 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 performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant 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 delegated to the Management Committee), in accordance with the Board's approved delegation of authority.

Project development risk

New development projects usually take a few years to complete, depending on the project size and complexity. To mitigate the risk of 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

Economic and political 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, geopolitical 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.

Human resource risk

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. There is proper succession planning, talent management, competitive compensation and benefits plans to reward and retain performing personnel.

Property damage & business disruption risks

In the event of unforeseen catastrophic events, Mapletree has a business continuity plan as well as a crisis communication plan that should enable it to resume operations with minimal disruption and loss. Mapletree's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

Credit risk

Credit risks are mitigated from the outset by conducting tenant credit assessment as part of the investment due diligence process before an acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken prior to the signing of lease agreements. On an ongoing basis, tenants' credit worthiness is closely monitored by the Asset Management Department and arrears are managed by the Credit Control Committee, who meets regularly to review debtor balances. To further mitigate risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to commencement of leases, where applicable.

Financial Risks

Financial market risks and capital adequacy 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 loan maturity profile and credit spread volatility.

Interest rate risk

The Management prudently manages exposure to interest rate volatility from the Group's borrowings by way of interest rate derivatives and fixed rate debts.

Foreign exchange risk
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.

Liquidity risk
The Management actively monitors the Group's cash flow position and funding requirements to ensure there are significant liquid reserves to fund operations and meet short-term obligations.

The Group also maintains sufficient financial flexibility and adequate debt headroom for Mapletree to fund future acquisitions. In addition, the Group tracks and monitors bank concentration risks, ensuring a well-diversified funding base.

Compliance Risks
Regulatory risk
Mapletree is committed to complying with the 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 with these laws and regulations in its day-to-day business processes.

Fraud risk
A comprehensive corporate governance framework has been established to maintain responsible and transparent business practices. The framework contains specific guidelines on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of gifts and entertainment.

The Group also has a whistleblowing policy that allows employees and stakeholders to raise any serious concerns about any danger, risk, malpractice or wrongdoing in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times, which include policies on ethics and code of conduct, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Management reserves the rights to take appropriate disciplinary action, including termination of employment.

Information Technology (IT) Risk
Concerns over the threat posed by cybersecurity attacks have risen as such attacks have become increasingly more prevalent and 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. All employees are required to complete a mandatory online training on IT security awareness to ensure that they are aware of potential cybersecurity threats. There is also constant monitoring of Internet gateways to detect potential security event. In addition, network vulnerability assessment and penetration testing are conducted regularly to check for potential security gaps.

RIGOROUS MONITORING AND CONTROL

Mapletree has developed internal key risk indicators that serve as an early-warning system to highlight risks that have escalated beyond the agreed tolerance levels. The Management has also established required actions to be taken when risk thresholds are breached.

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

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors present their statement to the member together with the audited statements of profit or loss, statements of comprehensive income, statement of financial position of the Company and the Group, 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 2019.

In the opinion of the directors,

(a) The statements of profit or loss, statements of comprehensive income, statement of financial position of the Company and the Group, 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 136 to 230 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 2019 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) As 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 as at the date of this statement are as follows:

Cheng Wai Wing Edmund
Cheah Kim Teck
David Christopher Ryan
Lee Chong Kwee
Lim Hng Kiang (appointed on 1 October 2018)
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 132 to 133 of this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office as 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 director is deemed to have an interest	
	As at 31 March 2019	As at 1 April 2018 or date of appointment, if later	**As at 31 March 2019**	As at 1 April 2018 or date of appointment, if later
Astrea III Pte. Ltd.				
(ASTREA III US$170M 4.65% N260708)				
Lim Hng Kiang	**US$400,000**	US$400,000	**–**	–
Astrea IV Pte. Ltd.				
(ASTREA IV US$210M 5.5% B280614)				
Lim Hng Kiang	**US$250,000**	US$250,000	**–**	–
(ASTREA IV S$242M 4.35% B280614)				
Lim Hng Kiang	**S$8,000**	S$8,000	**–**	–
Olam International Limited				
(OLAM US$500M 5.35% PERCAPSEC)				
Lim Hng Kiang	**US$200,000**	US$200,000	**–**	–
SIA Engineering Company Limited				
(Ordinary shares)				
Cheah Kim Teck	**–**	10,000	**–**	–
Singapore Airlines Ltd				
(Ordinary shares)				
Lim Hng Kiang	**3,000**	3,000	**–**	–
(SIA S$300M 3.75% N240408)				
Lim Hng Kiang	**S$250,000**	S$250,000	**–**	–
Singapore Technologies Engineering Ltd				
(Ordinary shares)				
Lim Hng Kiang	**15,000**	15,000	**–**	–
Hiew Yoon Khong	**–**	–	**30,000**	30,000
Singapore Telecommunications Limited				
(Ordinary shares)				
Cheah Kim Teck	**177**	177	**–**	–
Lim Hng Kiang	**16,360**	16,360	**–**	–
Ma Kah Woh Paul	**190**	190	**190**	190
Wong Meng Meng	**1,667**	1,667	**1,550**	1,550
StarHub Ltd				
(Ordinary shares)				
Lee Chong Kwee	**20,000**	20,000	**–**	–
Ma Kah Woh Paul	**117,680**	96,580	**–**	–
Temasek Financial (I) Limited				
(TEMASEKFIN S$500M 3.785% N250305)				
Lim Hng Kiang	**S$250,000**	S$250,000	**–**	–

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 from 4 November 2009.

Under the Plans, awards are granted to eligible participants. Eligible participants of the Plans include selected employees of the Company, subsidiaries and 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 the 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 March 2019	Outstanding as at 1 April 2018
Hiew Yoon Khong		
– PSU to be released after 31 March 2018	**–**	397,820 [(1)]
– PSU to be released after 31 March 2019	**988,372** [(1)]	988,372 [(1)]
– PSU to be released after 31 March 2020	**1,503,106** [(1)]	1,503,106 [(1)]
– PSU to be released after 31 March 2021	**1,603,615** [(1)]	1,603,615 [(1)]
– PSU to be released after 31 March 2022	**1,424,390** [(1)]	1,424,390 [(1)]
– PSU to be released after 31 March 2023	**1,556,420** [(1)]	–
– RSU to be released after 31 March 2016	**–**	166,994 [(3)]
– RSU to be released after 31 March 2017	**200,937** [(3)]	401,873 [(4)]
– RSU to be released after 31 March 2018	**289,519** [(4)]	413,598 [(2)]
– RSU to be released after 31 March 2019	**458,716** [(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.

(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 from 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 the 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 March 2019	Outstanding as at 1 April 2018
Cheng Wai Wing Edmund	**58,795**	62,248
Cheah Kim Teck	**3,366**	–
David Christopher Ryan	**24,217**	19,080
Lee Chong Kwee	**36,311**	36,846
Ma Kah Woh Paul	**36,579**	38,483
Marie Elaine Teo	**8,556**	4,929
Samuel N. Tsien	**14,074**	11,231
Tsang Yam Pui	**19,230**	14,485
Wong Meng Meng	**29,112**	27,076

INDEPENDENT AUDITOR

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

On behalf of the directors

CHENG WAI WING EDMUND
Chairman

HIEW YOON KHONG
Group Chief Executive Officer/Director

16 May 2019

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 accompanying statements of profit or loss, statements of comprehensive income, statement of financial position of Mapletree Investments Pte Ltd (the "Company") and its subsidiaries (the "Group") and statement of changes in equity of the Company and the Group are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance and changes in equity of the Company for the financial year ended on that date, and of the 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 ended 31 March 2019;
- the statements of comprehensive income for the financial year then ended;
- the statement of financial position – Group as at 31 March 2019;
- the statement of financial position – Company as at 31 March 2019;
- 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 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (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.

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 SFRS(I)s, 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, 16 May 2019

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Revenue	4	**3,948,148**	3,194,401	**1,089,035**	846,488
Other gains – net	5	**1,970,292**	1,968,042	**1,285**	3,045
Expenses					
– Depreciation and amortisation		**(33,677)**	(21,364)	**(5,840)**	(5,394)
– Employee compensation	6	**(511,217)**	(410,156)	**(170,388)**	(145,294)
– Utilities and property maintenance		**(298,744)**	(254,206)	**(739)**	(700)
– Property and related taxes		**(246,899)**	(168,665)	**(193)**	(205)
– Marketing and promotion expenses		**(50,240)**	(45,570)	**(8,537)**	(7,537)
– Professional fees		**(117,368)**	(61,287)	**(5,611)**	(6,648)
– Property rental expenses		**(494,151)**	(507,723)	**(5,249)**	(5,529)
– Cost of residential properties sold		**(780)**	(9,730)	**–**	–
– Others		**(104,745)**	(97,697)	**(31,264)**	(10,475)
		4,060,619	3,586,045	**862,499**	667,751
Finance costs		**(620,077)**	(372,700)	**–**	–
Finance income		**12,288**	10,525	**70,298**	34,912
Finance (costs)/income – net	7	**(607,789)**	(362,175)	**70,298**	34,912
Share of profit of associated companies	15	**189,180**	246,086	**–**	–
Share of profit of joint ventures	16	**10,352**	19,085	**–**	–
Profit before income tax		**3,652,362**	3,489,041	**932,797**	702,663
Income tax (expense)/credit	8(a)	**(194,732)**	(299,712)	**10,057**	(17,758)
Profit for the financial year		**3,457,630**	3,189,329	**942,854**	684,905
Profit attributable to:					
Equity holder of the Company		**2,088,288**	1,873,683	**942,854**	684,905
Perpetual securities holders		**72,795**	84,951	**–**	–
Non-controlling interests		**1,296,547**	1,230,695	**–**	–
		3,457,630	3,189,329	**942,854**	684,905

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group		Company	
		2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Profit for the financial year		**3,457,630**	3,189,329	**942,854**	684,905
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets					
– Fair value gains	12	**–**	3,223	**–**	–
– Realised and transferred to profit or loss		**–**	(48,206)	**–**	–
Cash flow hedges					
– Net fair value (loss)/gain		**(83,006)**	37,572	**–**	–
– Realised and transferred to profit or loss	7	**360**	(6,858)	**–**	–
Currency translation differences		**2,202**	(240,471)	**–**	–
Share of other comprehensive income of associated companies and joint ventures					
– Net fair value (loss)/gain on cash flow hedges		**(2,112)**	4,170	**–**	–
– Currency translation differences		**(2,650)**	5,828	**–**	–
Items that will not be reclassified subsequently to profit or loss					
Revaluation gain on property, plant and equipment, net of deferred tax		**11,170**	4,011	**–**	–
Other comprehensive loss for the financial year, net of tax		**(74,036)**	(240,731)	**–**	–
Total comprehensive income for the financial year		**3,383,594**	2,948,598	**942,854**	684,905
Total comprehensive income attributable to:					
Equity holder of the Company		**2,029,335**	1,783,211	**942,854**	684,905
Perpetual securities holders		**72,795**	84,951	**–**	–
Non-controlling interests		**1,281,464**	1,080,436	**–**	–
		3,383,594	2,948,598	**942,854**	684,905

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

STATEMENT OF FINANCIAL POSITION – GROUP
AS AT 31 MARCH 2019

	Note	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	9	**1,896,260**	1,267,605	1,179,823
Trade and other receivables	10	**870,208**	551,546	485,992
Properties held for sale		**122,216**	87,489	41,157
Other assets	11	**981,027**	630,611	270,270
Inventories		**7,642**	12,383	17,134
Financial assets, at fair value through profit or loss ("FVPL")	13	**71,799**	–	–
Assets of disposal group held for sale	14	**1,697,616**	–	–
Derivative financial instruments	23	**22,510**	95,543	22,287
		5,669,278	2,645,177	2,016,663
Non-current assets				
Trade and other receivables	10	**2,213**	66,788	58,946
Other assets	11	**4,478**	4,445	4,776
Available-for-sale financial assets	12	**–**	69,564	142,965
Financial assets, at fair value through other comprehensive income ("FVOCI")	12	**69,564**	–	–
Financial assets, at FVPL	13	**21,754**	–	–
Investments in associated companies	15	**865,820**	1,345,322	1,124,323
Investments in joint ventures	16	**190,526**	164,114	154,640
Investment properties	18	**46,975,594**	37,422,330	30,686,434
Properties under development	19	**804,970**	409,803	1,662,550
Property, plant and equipment	20	**175,241**	165,296	175,568
Intangible assets	21	**172,874**	209,468	144,045
Derivative financial instruments	23	**36,438**	72,718	88,272
		49,319,472	39,929,848	34,242,519
Total assets		**54,988,750**	42,575,025	36,259,182
LIABILITIES				
Current liabilities				
Trade and other payables	22	**1,249,118**	1,052,377	1,044,495
Derivative financial instruments	23	**34,321**	26,882	41,111
Borrowings	24	**2,335,700**	2,162,347	1,125,374
Current income tax liabilities		**181,493**	138,629	142,236
Finance lease liabilities		**1,426**	1,627	2,104
Liabilities directly associated with disposal group held for sale	14	**724,471**	–	–
		4,526,529	3,381,862	2,355,320
Non-current liabilities				
Trade and other payables	22	**521,401**	361,279	320,254
Derivative financial instruments	23	**116,478**	44,399	105,867
Borrowings	24	**21,074,454**	14,461,142	11,970,093
Finance lease liabilities		**576**	1,778	3,215
Deferred income taxes	25	**400,872**	407,584	280,614
		22,113,781	15,276,182	12,680,043
Total liabilities		**26,640,310**	18,658,044	15,035,363
NET ASSETS		**28,348,440**	23,916,981	21,223,819
EQUITY				
Share capital	26	**3,094,307**	3,094,307	3,094,307
Retained earnings		**11,615,191**	9,735,235	8,073,969
Foreign currency translation reserve		**(126,926)**	(111,927)	(34,084)
Revaluation reserve		**28,047**	16,877	12,866
Hedge reserve		**(35,755)**	19,369	(8,974)
Fair value reserve		**–**	–	44,983
Capital and other reserves		**17,607**	32,044	1,005
Shareholder's funds		**14,592,471**	12,785,905	11,184,072
Perpetual securities	27	**1,760,018**	1,760,018	1,817,833
Non-controlling interests	38	**11,995,951**	9,371,058	8,221,914
Total equity		**28,348,440**	23,916,981	21,223,819

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

STATEMENT OF FINANCIAL POSITION – COMPANY

AS AT 31 MARCH 2019

	Note	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	9	**15,610**	15,487	11,245
Trade and other receivables	10	**6,054,092**	4,819,992	3,354,933
Other assets	11	**2,431**	358,763	107,741
		6,072,133	5,194,242	3,473,919
Non-current assets				
Trade and other receivables	10	**1,418,251**	1,868,087	2,121,193
Investments in subsidiaries	17	**1,444,016**	1,444,016	2,144,471
Property, plant and equipment	20	**9,408**	8,479	7,456
Intangible assets	21	**3,164**	4,623	6,041
Deferred income taxes	25	**33,197**	20,502	22,175
		2,908,036	3,345,707	4,301,336
Total assets		**8,980,169**	8,539,949	7,775,255
LIABILITIES				
Current liabilities				
Trade and other payables	22	**148,923**	465,612	195,708
Current income tax liabilities		**11,651**	11,261	7,774
		160,574	476,873	203,482
Non-current liabilities				
Trade and other payables	22	**136,348**	106,783	89,585
Total liabilities		**296,922**	583,656	293,067
NET ASSETS		**8,683,247**	7,956,293	7,482,188
EQUITY				
Share capital	26	**3,094,307**	3,094,307	3,094,307
Retained earnings		**5,588,940**	4,861,986	4,387,881
Total equity		**8,683,247**	7,956,293	7,482,188

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

STATEMENT OF CHANGES IN EQUITY – GROUP

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Hedge reserve $'000	Capital and other reserves $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
As at 1 April 2018		3,094,307	9,735,235	(111,927)	16,877	19,369	32,044	1,760,018	9,371,058	23,916,981
Profit for the financial year		–	2,088,288	–	–	–	–	72,795	1,296,547	3,457,630
Other comprehensive (loss)/income for the financial year		–	–	(14,999)	11,170	(55,124)	–	–	(15,083)	(74,036)
Total comprehensive income/(loss) for the financial year		**–**	**2,088,288**	**(14,999)**	**11,170**	**(55,124)**	**–**	**72,795**	**1,281,464**	**3,383,594**
Dividend paid to shareholder	34	–	(215,900)	–	–	–	–	–	–	(215,900)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	(704,258)	(704,258)
Restricted profits		–	(1,016)	–	–	–	1,016	–	–	–
Share of associated company's issuance costs		–	–	–	–	–	(14)	–	–	(14)
Capital contribution from non-controlling interests, net of transaction costs		–	–	–	–	–	(1,078)	–	2,032,322	2,031,244
Deconsolidation of a subsidiary		–	–	–	–	–	–	–	7,194	7,194
Dilution of interest in subsidiaries to non-controlling interests		–	(813)	–	–	–	(14,361)	–	8,171	(7,003)
Perpetual securities – distribution paid		–	–	–	–	–	–	(72,795)	–	(72,795)
Tax credit arising from perpetual securities distribution	8(c)	–	9,482	–	–	–	–	–	–	9,482
Others		–	(85)	–	–	–	–	–	–	(85)
Total transactions with owners, recognised directly in equity		**–**	**(208,332)**	**–**	**–**	**–**	**(14,437)**	**(72,795)**	**1,343,429**	**1,047,865**
As at 31 March 2019		**3,094,307**	**11,615,191**	**(126,926)**	**28,047**	**(35,755)**	**17,607**	**1,760,018**	**11,995,951**	**28,348,440**

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

	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
As at 1 April 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
Profit for the financial year		–	1,873,683	–	–	–	–	–	84,951	1,230,695	3,189,329
Other comprehensive (loss)/income for the financial year		–	–	(77,843)	4,011	28,343	(44,983)	–	–	(150,259)	(240,731)
Total comprehensive income/(loss) for the financial year		–	1,873,683	(77,843)	4,011	28,343	(44,983)	–	84,951	1,080,436	2,948,598
Dividend paid to shareholder	34	–	(210,800)	–	–	–	–	–	–	–	(210,800)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	(570,254)	(570,254)
Restricted profits		–	(1,125)	–	–	–	–	1,125	–	–	–
Share of associated company's issuance costs		–	–	–	–	–	–	(312)	–	–	(312)
Capital contribution from non-controlling interests, net of transaction costs		–	–	–	–	–	–	27,773	–	642,038	669,811
Dilution of interest in subsidiaries to non-controlling interests		–	–	–	–	–	–	2,453	–	928	3,381
Perpetual securities issued, net of issuance costs		–	–	–	–	–	–	–	872,641	–	872,641
Redemption of perpetual securities		–	(11,093)	–	–	–	–	–	(934,903)	(4,004)	(950,000)
Perpetual securities – distribution paid		–	–	–	–	–	–	–	(80,504)	–	(80,504)
Tax credit arising from perpetual securities distribution	8(c)	–	10,601	–	–	–	–	–	–	–	10,601
Total transactions with owners, recognised directly in equity		–	(212,417)	–	–	–	–	31,039	(142,766)	68,708	(255,436)
As at 31 March 2018		3,094,307	9,735,235	(111,927)	16,877	19,369	–	32,044	1,760,018	9,371,058	23,916,981

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

STATEMENT OF CHANGES IN EQUITY – COMPANY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
As at 1 April 2018		3,094,307	4,861,986	7,956,293
Total comprehensive income for the financial year		**–**	**942,854**	**942,854**
Dividend paid	34	–	(215,900)	(215,900)
As at 31 March 2019		**3,094,307**	**5,588,940**	**8,683,247**
As at 1 April 2017		3,094,307	4,387,881	7,482,188
Total comprehensive income for the financial year		–	684,905	684,905
Dividend paid	34	–	(210,800)	(210,800)
As at 31 March 2018		3,094,307	4,861,986	7,956,293

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	2019 $'000	2018 $'000
Cash flows from operating activities		
Profit for the financial year	**3,457,630**	3,189,329
Adjustments for:		
– Income tax expense	**194,732**	299,712
– Loss allowance made and amounts written off	**–**	1,382
– Amortisation of rent-free incentives	**(23,049)**	(16,725)
– Depreciation and amortisation	**33,677**	21,364
– (Gain)/loss on disposal of property, plant and equipment	**(238)**	12
– Loss/(gain) on disposal of investment properties	**257**	(40,748)
– Gain on disposal of property under development	**(658)**	–
– Gain on disposal of available-for-sale financial assets	**–**	(47,645)
– Impairment loss on intangibles and non-trade receivables due from an associated company	**38,207**	17,483
– Intangible assets	**(5,300)**	–
– Fair value changes in derivative financial instruments	**62,863**	(58,269)
– Gain on disposal of a subsidiary	**(21,425)**	–
– Loss on disposal of an associated company	**–**	15,670
– Net revaluation gain on investment properties and properties under development	**(2,060,645)**	(1,921,622)
– Finance costs – net	**607,789**	362,175
– Dividend income	**–**	(1,068)
– Share of profit of associated companies and joint ventures – net	**(199,532)**	(265,171)
– Unrealised currency translation losses	**95,871**	82,586
Operating cash flow before working capital changes	**2,180,179**	1,638,465
Changes in operating assets and liabilities		
– Trade and other receivables	**97,984**	(14,963)
– Inventories	**4,741**	3,568
– Other assets	**(77,985)**	3,402
– Trade and other payables	**277,047**	62,852
– Properties held for sale	**(34,727)**	(13,591)
Cash generated from operations	**2,447,239**	1,679,733
Income tax paid	**(163,839)**	(181,149)
Net cash generated from operating activities	**2,283,400**	1,498,584

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(1,875,640)**	(1,078,616)
Disposal of subsidiary, net of cash disposed		**15,814**	–
Payments for investments in associated companies and joint ventures		**(4,862)**	(118,030)
Loan to associated companies and joint ventures		**(50,117)**	(8,748)
Repayment from an associated company and joint ventures		**–**	19,106
Dividends received from associated companies and joint ventures		**267,455**	48,989
Capital return from associated companies		**359,836**	6,376
Disposal of an associated company, net of cash disposed		**–**	90,026
Payments for investment properties		**(5,856,774)**	(2,668,346)
Deposits for investment properties		**–**	(352,038)
Proceeds from disposal of investment properties		**22,507**	203,657
Payments for properties under development		**(409,552)**	(595,224)
Prepayments for properties under development		**(126,840)**	(150,851)
Proceeds from disposal of properties under development		**9,126**	–
Payments for intangible assets and property, plant and equipment		**(20,773)**	(19,396)
Proceeds from disposal of property, plant and equipment		**1,507**	168
Proceeds from disposal of available-for-sale financial assets		**–**	75,893
Dividends received from third parties		**–**	1,068
Loan to a non-related party		**(35,899)**	(5,049)
Interest received		**14,366**	8,912
Net cash used in investing activities		**(7,689,846)**	(4,542,103)
Cash flows from financing activities			
Loan proceeds from financial institutions and TMK bonds		**22,124,076**	11,246,425
Repayment of loans from financial institutions		**(16,514,245)**	(7,937,676)
Proceeds from issuance of medium term notes		**977,063**	520,000
Repayment of medium term notes		**(575,000)**	(90,000)
Loan proceeds from non-controlling interests		**10,803**	43,897
Repayment of loans from non-controlling interests		**(115,882)**	(22,118)
Repayment of finance lease liabilities		**(1,531)**	(1,814)
Proceeds from issuance of perpetual securities, net of transaction costs		**–**	872,641
Perpetual securities redemption		**–**	(950,000)
Perpetual securities distribution paid		**(72,795)**	(80,504)
Net capital contribution from non-controlling interests		**1,811,625**	669,811
Net (outflow)/inflow from dilution of interest in subsidiaries to a non-controlling interest		**(1,461)**	3,381
Cash dividend paid to non-controlling interests		**(704,258)**	(570,254)
Dividends paid		**(215,900)**	(210,800)
Interest paid		**(618,238)**	(341,210)
Financing fees paid		**(70,570)**	(10,798)
Increase in restricted cash		**(25,416)**	–
Net cash generated from financing activities		**6,008,271**	3,140,981
Net increase in cash and cash equivalents		**601,825**	97,462
Cash and cash equivalents at beginning of financial year	9	**1,267,605**	1,179,823
Effects of currency translation on cash and cash equivalents		**5,231**	(9,680)
Cash and cash equivalents at end of financial year	9	**1,874,661**	1,267,605

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Loans from financial institutions and TMK bonds $'000	Medium term notes $'000	Loans from non-controlling interests $'000	Finance lease liabilities $'000
As at 1 April 2018	13,356,519	3,092,721	174,249	3,405
Proceeds	22,124,076	977,063	10,803	–
Repayment	(16,514,245)	(575,000)	(115,882)	(1,531)
Financing fees paid	(68,706)	(1,864)	–	–
Non-cash changes:				
– Acquisition of subsidiaries	1,520,056	–	–	–
– Disposal of subsidiaries	(38,239)	–	–	–
– Financing fees expense	12,099	2,844	–	128
– Currency translation differences	108,845	3,931	(527)	–
Liabilities directly associated with disposal group held for sale	(658,589)	–	–	–
As at 31 March 2019	**19,841,816**	**3,499,695**	**68,643**	**2,002**
As at 1 April 2017	10,244,610	2,700,532	150,325	5,319
Proceeds	11,246,425	520,000	43,897	–
Repayment	(7,937,676)	(90,000)	(22,118)	(1,814)
Financing fees paid	(9,577)	(1,221)	–	–
Non-cash changes:				
– Acquisition of subsidiaries	12,250	–	–	–
– Financing fees expense	8,903	972	–	233
– Currency translation differences	(208,416)	(37,562)	2,145	(333)
As at 31 March 2018	13,356,519	3,092,721	174,249	3,405

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438.

The principal activities of the Company and its subsidiaries (the "Group") are those relating to investment holding, provision of marketing consultancy and asset and fund management, property development and investment, marketing and lease administration and 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 (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) 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.

2.2 Adoption of SFRS(I)

The Group has elected to adopt SFRS(I) on 1 April 2018. These financial statements for the financial year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening statement of financial position has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Business combinations

SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 April 2017. The same classification as in its previous SFRS financial statements has been adopted.

The Group has not applied SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 April 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(ii) Leases

The Group has not reassessed the determination of whether an arrangement contained a lease in accordance with SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

(iii) Borrowing costs

The Group has elected to apply the requirements in SFRS(I) 1-23 *Borrowing Costs* from the date of transition to SFRS(I) on 1 April 2017. Borrowing costs that were accounted for previously under SFRS prior to date of transition are not restated.

(iv) Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments*: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to the items within the scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of SFRS(I) 9.

(b) Reconciliation of the Group's equity, total comprehensive income and statement of cash flows reported in accordance with SFRS to SFRS(I)

There were no material adjustments to the Group's equity, total comprehensive income and statement of cash flows arising from transition from SFRS to SFRS(I) and adoption of SFRS(I) 15.

Explanatory notes to reconciliations:

The effects of transition to SFRS(I) mainly arise from the adoption of SFRS(I) 9 *Financial Instruments*.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (continued)

(b) Reconciliation of the Group's equity, total comprehensive income and statement of cash flows reported in accordance with SFRS to SFRS(I) (continued)

A. Adoption of SFRS(I) 9

As disclosed in Note 2.2(a)(iv), the Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018.

At the same time, the Group is exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosures* for the comparative period to the extent that the disclosures required by SFRS(I) 7 relate to the items within the scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 are as disclosed in Note 2.12.

A1. Classification and measurement of financial assets

For financial assets held by the Group on 1 April 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9.

		Financial assets			
	Note	Amortised cost $'000	FVPL $'000	AFS $'000	FVOCI $'000
Balance as at 31 March 2018 – before adoption of SFRS(I) 9		2,261,220	168,261	69,564	–
Reclassify debt instruments from amortised cost to FVPL	(i)	(58,507)	58,507	–	–
Reclassify unquoted equities from available-for-sale to FVOCI	(ii)	–	–	(69,564)	69,564
Balance as at 1 April 2018 – after adoption of SFRS(I) 9		2,202,713	226,768	–	69,564

(i) Debt instruments reclassified from amortised cost to FVPL

Loans to non-related parties amounting to $58.5 million were reclassified from the "amortised cost" category to the "FVPL" category. They are debt instruments that do not meet the criteria to be classified as amortised cost in accordance with SFRS(I) 9 because their cash flows do not represent solely payments of principal and interest.

(ii) Unquoted equities reclassified from available-for-sale to FVOCI

The Group has elected to recognise changes in the fair value of its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with $69.6 million were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 April 2018.

(c) Reconciliation of the Company's equity reported in accordance with SFRS to SFRS(I)

There were no material adjustments to the Company's equity, total comprehensive income and statement of cash flows arising from the transition from SFRS to SFRS(I) and adoption of SFRS(I) 9 and SFRS(I) 15.

2.3 Revenue recognition

(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 is recognised 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 over time as the accommodation and related services are provided.

(c) Rendering of services

Service income from provision of property development, fund and asset management, marketing and lease administration and administrative and support services are recognised over time as the services are rendered under the terms of the contract, except for incentive fees which are recognised at a point in time when the performance targets as defined in each agreement are met and collectability is reasonably assured.

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

(d) Interest income

Interest income, including income arising from financial instruments, is recognised on a time-proportion basis using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be reliably measured.

(f) Sale of residential properties

Revenue from the sale of residential properties is recognised when or as the control of the asset is transferred to the customer, such as when the property is accepted by the customer or deemed as accepted according to the contract or when title has passed to the customer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. 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 are 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 statement of profit or loss, statement of comprehensive income, statement 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 business combinations entered into by the Group.

The consideration transferred for the acquisition of a 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 (a) 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 (b) the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6(b) "intangible assets – goodwill on acquisitions" for the subsequent accounting policy on goodwill.

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies 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 a specific Standard.

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.

Please refer to Note 2.10 "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 interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with the 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 in 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 has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies and joint ventures (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of 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. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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 2.8) 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. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. 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 2.10 "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.

2.5 Property, plant and equipment

(a) Measurement

Leasehold land and building

Leasehold land and building relates to a hotel property owned by the Group. It is initially recognised at cost and subsequently carried at the revalued amount less accumulated depreciation and any accumulated impairment losses. It is revalued by independent professional valuers on an annual basis. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

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 as follows:

	Useful lives
Leasehold land and building	Remaining lease period of 30 years from June 2016
Other assets	3 to 25 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, as 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 repair and maintenance 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)

2.6 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 as 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 at least reviewed annually as 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) Software licences

Acquired computer software licences are amortised to profit or loss using the straight-line method over their estimated useful lives of three to 10 years.

(ii) Customer-related intangibles

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

(iii) Concessionary agreement

A concessionary agreement was acquired in a business combination and relates to the public licences granted by Maritime and Port Authority of Singapore ("MPA") to develop, maintain and operate passenger terminal facilities. The concessionary agreement expires on 30 September 2027 and has a useful life of 9.5 years commencing from March 2018.

(iv) 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 trade names are expected to generate net cash inflows for the Group.

(b) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries or businesses represents the excess of (i) the sum of 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 identifiable net assets acquired.

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

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. 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.

2.7 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. Such costs indude 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.

2.8 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 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 the 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.

2.9 Properties held for sale

Properties held for sale are those properties which are held with the intention of development and sale in the ordinary course of business. They are 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 properties 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 properties held for sale in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 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 statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.11 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) 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 any objective evidence or indication that the trade names may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill 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. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount cannot exceed the carrying amount that would have been determined (net of any accumulated depreciation or amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss unless the asset is measured at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.12 Financial assets

The accounting for financial assets before 1 April 2018 is as follows:

(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 statement of financial position.

(iii) Financial assets, available-for-sale

Financial assets, available-for-sale 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

The accounting for financial assets before 1 April 2018 is as follows: (continued)

(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 evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent 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) Financial assets, available-for-sale

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 financial asset, available-for-sale 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.

The accounting for financial assets from 1 April 2018 is as follows:

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise and presented in "other gains – net" and "interest income" respectively.

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains – net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair values of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

The accounting for financial assets from 1 April 2018 is as follows: (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and lease receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.13 Financial guarantees

The Company has issued corporate guarantees to financial institutions for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the financial institutions 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 insurance contracts. Intra-group transactions are eliminated on consolidation.

(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 and subsequently measured at the higher of:

(i) The premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(ii) The amount of expected loss computed using the impairment methodology under SFRS(I) 9.

Prior to 1 April 2018, financial guarantees were subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the financial institutions for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the financial institutions 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 profit or loss.

(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 as 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.

2.14 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 statement of financial position.

2.15 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.

2.16 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) fair value hedge, or (c) net investment hedge.

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 23. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The following hedges in place as at 31 March 2019 qualified respectively as fair value, cash flow and net investment hedges under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Derivative financial instruments and hedging activities (continued)

(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. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the spot component of forward contracts is treated as follows: Where the hedged item subsequently results in the recognition of a non-financial asset, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

- 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 they are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowings 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 are 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) 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.

(c) 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.

2.17 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement 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.

(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 leasing income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, as 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 a 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) **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 North Asia 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 the fair value at the date of grant, whereas cash-settled share-based compensation is measured at the current fair value as 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 the fair value of the compensation cost as at the reporting date, 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.

For cash-settled share-based compensation, any change in the fair value of the compensation cost, arising from the re-measurement of liability as 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 as 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 is 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 the 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 the 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as 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 hedges and 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 as 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

(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 with loss of control of the foreign operation of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates as 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 statement 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 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 transaction 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 18), properties under development (Note 19) and leasehold land and building classified under property, plant and equipment (Note 20) are stated at fair value based on valuations primarily by independent professional valuers. The fair values are based on the highest and best use basis.

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flows method, direct comparison method and residual value method, where appropriate (Note 31).

The fair values 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 current income tax liabilities and deferred income taxes 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 constitutes 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 do not represent acquisitions of businesses.

4. REVENUE

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Leasing income				
– Investment properties	**2,454,147**	1,897,783	**–**	–
– Corporate housing operations	**640,271**	724,081	**–**	–
Income from hotel operations	**38,590**	37,270	**–**	–
Sale of residential properties	**944**	11,769	**–**	–
Service charge	**366,268**	258,610	**–**	–
Fees from management services				
– Subsidiaries	**–**	–	**92,626**	134,790
– Others	**212,241**	90,620	**–**	–
Car parking fees	**64,002**	48,849	**–**	–
Dividend income from third parties	**–**	1,068	**–**	–
Dividend income from subsidiaries	**–**	–	**996,063**	711,546
Interest income from loans to non-related parties	**7,450**	3,872	**–**	–
Other operating income	**164,235**	120,479	**346**	152
	3,948,148	3,194,401	**1,089,035**	846,488

5. OTHER GAINS – NET

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Amortisation of financial guarantee contracts	**–**	–	**1,285**	3,045
Net revaluation gain on investment properties and properties under development attributable to:				
– Equity holder of the Company	**1,327,017**	1,218,198	**–**	–
– Non-controlling interests	**733,628**	703,424	**–**	–
	2,060,645	1,921,622	**–**	–
Net gain/(loss) on disposal of:				
– Investment properties	**(257)**	40,748	**–**	–
– Properties under development	**658**	–	**–**	–
– Subsidiary	**21,425**	–	**–**	–
– Associated company	**–**	(15,670)	**–**	–
– Financial assets, available-for-sale	**–**	47,645	**–**	–
	21,826	72,723	**–**	–
Loss allowance on non-trade receivables due from an associated company (Note 10)	**(4,130)**	(3,879)	**–**	–
Impairment loss on intangible assets (Note 21)	**(34,077)**	(13,604)	**–**	–
Net currency exchange loss	**(11,109)**	(67,089)	**–**	–
Net change in fair value of derivative financial instruments	**(62,863)**	58,269	**–**	–
	1,970,292	1,968,042	**1,285**	3,045

6. EMPLOYEE COMPENSATION

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Wages and salaries	**438,867**	348,525	**140,178**	89,481
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	**17,905**	15,169	**10,349**	9,351
Share-based compensation expenses	**54,445**	46,462	**19,861**	46,462
	511,217	410,156	**170,388**	145,294

7. FINANCE (COSTS)/INCOME – NET

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Interest expenses				
– Loans from financial institutions	**(491,758)**	(222,546)	**–**	–
– Derivative instruments – hedge accounting	**(360)**	6,858	**–**	–
– Derivative instruments – non-hedge accounting	**(6,040)**	(46,808)	**–**	–
– Medium term notes	**(101,361)**	(91,017)	**–**	–
– Loans from non-controlling interests of subsidiaries	**(5,487)**	(9,079)	**–**	–
– Finance lease liabilities	**(128)**	(233)	**–**	–
	(605,134)	(362,825)	**–**	–
Interest income for financial assets measured at amortised cost				
– Deposits placed with subsidiaries	**–**	–	**70,243**	34,885
– Short-term bank deposits	**9,803**	7,275	**55**	27
– Others	**2,485**	3,250	**–**	–
	12,288	10,525	**70,298**	34,912
Financing fees	**(14,943)**	(9,875)	**–**	–
	(607,789)	(362,175)	**70,298**	34,912

8. INCOME TAX EXPENSE/(CREDIT)

(a) Income tax expense/(credit)

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Tax expense/(credit) attributable to profit is made up of:				
Profit for the financial year:				
Current income tax				
– Singapore	**111,680**	79,754	**2,638**	5,331
– Foreign	**65,328**	52,823	**–**	–
	177,008	132,577	**2,638**	5,331
Deferred income tax	**81,772**	146,450	**(7,891)**	(1,944)
Withholding tax	**30,882**	46,951	**–**	–
	289,662	325,978	**(5,253)**	3,387
(Over)/underprovision in prior financial years:				
– Current income tax	**(1,188)**	(14,722)	**–**	(900)
– Deferred income tax	**(93,742)**	(11,544)	**(4,804)**	15,271
	194,732	299,712	**(10,057)**	17,758

The income tax expense/(credit) on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax due to the following:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Profit before income tax	**3,652,362**	3,489,041	**932,797**	702,663
Share of results of associates and joint ventures, net of tax	**(199,532)**	(265,171)	**–**	–
Profit before share of results of associates and joint ventures	**3,452,830**	3,223,870	**932,797**	702,663
Tax calculated at a tax rate of 17% (2018: 17%)	**586,981**	548,058	**158,575**	119,453
Effects of:				
– Singapore statutory stepped income exemption and concessionary tax rate	**(10,891)**	(2,884)	**(27)**	(36)
– Income not subject to tax	**(433,049)**	(320,304)	**(169,549)**	(121,481)
– Expenses not deductible for tax purposes	**82,524**	56,406	**5,748**	5,451
– Effects of different tax rates in other countries	**37,593**	41,714	**–**	–
– Deferred tax benefits not recognised	**27,292**	5,284	**–**	–
– (Over)/underprovision in prior financial years	**(94,930)**	(26,266)	**(4,804)**	14,371
– Others	**(788)**	(2,296)	**–**	–
Tax charge/(credit)	**194,732**	299,712	**(10,057)**	17,758

(b) Tax credit of $5.0 million (2018: tax charge of $6.6 million) relating to fair value changes and reclassification adjustments on cash flow hedges was included in other comprehensive income.

(c) Tax credit of $9.5 million (2018: $10.6 million) relating to perpetual securities distribution was recognised directly in equity.

9. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Cash at bank and on hand	**1,652,317**	1,021,612	881,735	**9,610**	11,487	8,236
Short-term bank deposits	**243,943**	245,993	298,088	**6,000**	4,000	3,009
	1,896,260	1,267,605	1,179,823	**15,610**	15,487	11,245

Short-term bank deposits of the Group and the Company as at the reporting date had an average maturity of 60 days and 126 days (31 March 2018: 67 days and 118 days, 1 April 2017: 49 days and 38 days) respectively from the end of the financial year. The effective interest rates of the Group and the Company as at the reporting date ranged from 0.01% to 6.60% and 1.50% to 1.55% (31 March 2018: 0.75% to 5.75% and 0.75% to 0.85%, 1 April 2017: 0.30% to 4.70% and 0.30% to 0.38%) per annum respectively and the interest rates are re-priced upon maturity.

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Cash and bank balances (as above)	**1,896,260**	1,267,605	1,179,823
Cash and bank balances classified as "disposal group held for sale"	**3,817**	–	–
Less: Restricted cash	**(25,416)**	–	–
Cash and cash equivalents per consolidated statement of cash flows	**1,874,661**	1,267,605	1,179,823

Restricted cash are cash reserves for use in security deposits, capital expenditures and certain property-related expenses.

10. TRADE AND OTHER RECEIVABLES

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Current						
Trade receivables:						
– Subsidiaries	**–**	–	–	**4,214**	26,475	9,158
– Associated companies	**7,629**	36,783	21,147	**–**	–	–
– Non-related parties	**147,687**	124,717	138,420	**–**	–	–
	155,316	161,500	159,567	**4,214**	26,475	9,158
Less: Loss allowance on receivables from non-related parties	**(7,586)**	(856)	(1,060)	**–**	–	–
Trade receivables – net	**147,730**	160,644	158,507	**4,214**	26,475	9,158
Non-trade receivables:						
– Non-controlling interests	**203,748**	–	–	**–**	–	–
– Subsidiaries	**–**	–	–	**427,740**	420,395	417,003
– Associated company	**–**	–	18,481	**–**	–	–
	203,748	–	18,481	**427,740**	420,395	417,003

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Current						
Interest receivable:						
– Subsidiaries	**–**	–	–	**26,664**	13,990	6,881
– Non-related parties	**2,469**	4,547	4,342	**–**	–	–
	2,469	4,547	4,342	**26,664**	13,990	6,881
Dividend receivable	**–**	–	5,382	**536,532**	252,500	287,300
Deposits placed with a subsidiary	**–**	–	–	**5,056,962**	4,105,806	2,633,809
Loans:						
– Associated company	**12,458**	–	–	**–**	–	–
– Joint venture	**23,709**	–	–	**–**	–	–
– Non-controlling interest of a subsidiary	**145,231**	147,408	147,558	**–**	–	–
	181,398	147,408	147,558	**–**	–	–
Value-added tax – net	**19,882**	17,665	–	**1,980**	825	600
Sundry receivables	**84,974**	52,352	19,759	**–**	1	–
Accrued revenue	**230,007**	168,930	131,963	**–**	–	182
	334,863	238,947	151,722	**1,980**	826	782
	870,208	551,546	485,992	**6,054,092**	4,819,992	3,354,933
Non-current						
Non-trade receivables:						
– Associated companies	**10,222**	10,836	2,053	**–**	–	–
Less: Loss allowance	**(8,009)**	(3,879)	–	**–**	–	–
Non-trade receivables – net	**2,213**	6,957	2,053	**–**	–	–
Loans:						
– Subsidiaries	**–**	–	–	**1,418,251**	1,868,087	2,121,193
– Non-related parties	**–**	58,507	48,989	**–**	–	–
	–	58,507	48,989	**1,418,251**	1,868,087	2,121,193
Accrued revenue	**–**	1,324	7,904	**–**	–	–
	2,213	66,788	58,946	**1,418,251**	1,868,087	2,121,193
	872,421	618,334	544,938	**7,472,343**	6,688,079	5,476,126

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Current

(a) Non-trade receivables from non-controlling interests, comprising equity contributions, are unsecured, interest-free and repayable in May 2019.

(b) Non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

(c) Deposits placed with a subsidiary mature within six months (31 March 2018: nine months, 1 April 2017: six months) from the end of the financial year. The effective interest rates of the deposits as at the reporting date ranged from 1.00% to 1.89% (31 March 2018: 0.84% to 1.39%, 1 April 2017: 0.84% to 1.11%) per annum. The interest rates are re-priced upon maturity.

(d) The loan to an associated company is unsecured, interest-free and repayable on 31 March 2020.

(e) The loan to a joint venture is unsecured, bears interest ranging from 3.23% to 4.26% per annum and is repayable in April 2019.

(f) The loan to a non-controlling interest of a subsidiary is secured and bears interest at 1% (31 March 2018 and 1 April 2017: 1%) 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 associated companies are unsecured, interest-free and repayments are not expected within the next 12 months. The Group's impaired non-trade receivables due from an associated company as at 31 March 2019 had a gross carrying amount of $8.0 million (31 March 2018 and 1 April 2017: $8.8 million). As at 31 March 2019, an allowance of $4.1 million (31 March 2018: $3.9 million, 1 April 2017: Nil) was recognised in profit or loss due to financial difficulties experienced by the associated company.

(b) Loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, although repayment is not expected within the next 12 months.

(c) As at 31 March 2018 and 2017, loans to non-related parties were secured, bore interest at 7% per annum plus a variable component based on the gross profit of the borrower and were repayable between April 2019 to September 2021 and April 2018 to October 2021 respectively.

11. OTHER ASSETS

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Current						
Deposits	**80,831**	389,901	145,433	**711**	357,123	106,791
Prepayments	**900,196**	240,710	124,837	**1,720**	1,640	950
	981,027	630,611	270,270	**2,431**	358,763	107,741
Non-current						
Deposits	**3,072**	3,045	3,276	**–**	–	–
Prepayments	**1,406**	1,400	1,500	**–**	–	–
	4,478	4,445	4,776	**–**	–	–
	985,505	635,056	275,046	**2,431**	358,763	107,741

Deposits

As at 31 March 2018, deposits amounting to approximately $352.0 million were placed in accordance with arrangements to acquire three portfolios of logistics assets in the United States and Europe. The acquisition was completed during the financial year ended 31 March 2019.

As at 1 April 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 acquisition was completed during the financial year ended 31 March 2018.

Prepayments

As at 31 March 2019, there were nine (31 March 2018: six, 1 April 2017: four) acquired land parcels, one (31 March 2018 and 1 April 2017: Nil) development under construction in China and one (31 March 2018 and 1 April 2017: one) development under construction in Japan totalling approximately $747.3 million (31 March 2018: $161.5 million, 1 April 2017: $52.3 million). These transactions are pending the receipt of their land building certificates from the respective authorities. Accordingly, the considerations paid were classified as prepayments as at the reporting date.

12. FINANCIAL ASSETS, AT FVOCI AND AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 31 March	
	2019	2018
	$'000	$'000
Available-for-sale financial assets		
As at 1 April	**69,564**	142,965
Reclassification as at 1 April 2018 *	**(69,564)**	–
Fair value gains recognised in other comprehensive income	**–**	3,223
Disposals	**–**	(76,454)
Currency translation differences	**–**	(170)
As at 31 March	**–**	69,564

	Group 31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Financial assets, at FVOCI			
As at 1 April	**–**	–	–
Reclassification as at 1 April 2018 *	**69,564**	–	–
As at 31 March	**69,564**	–	–
Quoted equity securities – Singapore and Hong Kong SAR	**–**	–	73,401
Unquoted equity securities	**69,564**	69,564	69,564
	69,564	69,564	142,965

* See Note 2.2 for details of reclassification as at 1 April 2018 on adoption of SFRS(I) 9.

13. FINANCIAL ASSETS, AT FVPL

	Group 31 March	
	2019	2018
	$'000	$'000
As at 1 April	**–**	–
Reclassification as at 1 April 2018 *	**58,507**	–
Additions	**35,899**	–
Currency translation differences	**(853)**	–
As at 31 March	**93,553**	–
Debt instruments		
Current	**71,799**	–
Non-current	**21,754**	–
	93,553	–

* See Note 2.2 for details of reclassification as at 1 April 2018 on adoption of SFRS(I) 9.

The debt instruments, comprising loans to non-related parties, are secured, bear interest at 7% and 14% per annum plus a variable component based on the gross profit of the borrower and are repayable between May 2019 to September 2021.

14. DISPOSAL GROUP HELD FOR SALE

On 11 December 2018, the Group entered into a conditional sales and purchase agreement with a non-related party to divest its entire stake in a wholly-owned subsidiary, Autumn Sunstone Ltd., which indirectly owns a commercial property in Hong Kong SAR, at an agreed property value, subject to net asset adjustments on completion date.

Accordingly, as at 31 March 2019, the assets and liabilities related to Autumn Sunstone Ltd. and its subsidiary ("Autumn Sunstone Ltd. Group") have been presented as "assets of disposal group held for sale" and "liabilities directly associated with disposal group held for sale".

The disposal group is presented under the "Australia-New Zealand, North Asia and Oakwood" reportable segment of the Group. The fair value of the investment property is classified as Level 2 of the fair value hierarchy as it is derived from the agreed property value transacted between the parties.

The major classes of assets and liabilities of Autumn Sunstone Ltd. Group classified as held for sale as at 31 March 2019 are as follows:

	Group 2019 $'000
Assets	
Cash and cash equivalents	3,817
Trade and other receivables	9,959
Other current assets	422
Investment property	1,683,340
Property, plant and equipment	78
Assets of disposal group held for sale	1,697,616
Liabilities	
Trade and other payables	(65,882)
Borrowings	(658,589)
Liabilities directly associated with disposal group held for sale	(724,471)
Net assets directly associated with disposal group classified as held for sale	973,145
Cumulative currency translation differences recognised in other comprehensive income relating to disposal group held for sale	1,709

Subsequent to the end of the financial year, all conditions of the sales and purchase agreement were fulfilled and accordingly, the sales transaction was completed on 16 May 2019.

15. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Unquoted equity and preference shares, at cost	**758,633**	1,140,323	1,030,130
Loan to an associated company	**–**	12,112	91,710
Share of post-acquisition reserves	**107,187**	192,887	2,483
	865,820	1,345,322	1,124,323

The loan to an associated company was unsecured, interest-free and had no fixed terms of repayment.

The Group's investments in associated companies and share of results individually represent less than 4% and cumulatively less than 6% of the Group's consolidated net assets and net profit.

The following represents the aggregate amount of the Group's share in the net profit and total comprehensive income of associated companies:

	Group	
	2019	2018
	$'000	$'000
Net profit	**189,180**	246,086
Other comprehensive (loss)/income, net of tax	**(5,005)**	17,823
Total comprehensive income	**184,175**	263,909

16. INVESTMENTS IN JOINT VENTURES

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Unquoted equity shares, at cost	**151,703**	151,642	151,642
Loan to a joint venture	**50,117**	23,049	24,835
Share of post-acquisition reserves	**(11,294)**	(10,577)	(21,837)
	190,526	164,114	154,640

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 loan to a joint venture is unsecured, interest-free and has no fixed terms of repayment.

As at 31 March 2018 and 2017, the loan to a joint venture bore interest ranging from 2.80% to 3.23% and 2.27% to 2.84% per annum respectively and was repayable in full in April 2019.

The following represents the aggregate amount of the Group's share in the net profit and total comprehensive income of joint ventures:

	Group	
	2019	2018
	$'000	$'000
Net profit	**10,352**	19,085
Other comprehensive income/(loss), net of tax	**243**	(7,825)
Total comprehensive income	**10,595**	11,260

17. INVESTMENTS IN SUBSIDIARIES

	Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Unquoted equity shares, at cost	**596,690**	596,690	1,297,145
Unquoted redeemable convertible preference shares, at cost	**894,200**	894,200	894,200
	1,490,890	1,490,890	2,191,345
Financial guarantees	**115,946**	115,946	115,946
Less: Accumulated impairment losses	**(162,820)**	(162,820)	(162,820)
	1,444,016	1,444,016	2,144,471

Details of significant subsidiaries and summarised financial information of subsidiaries with material non-controlling interests are disclosed in Note 37 and Note 38 respectively.

Control without majority equity interest and voting power

Under SFRS(I) 10 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 North Asia Commercial Trust ("MNACT"), 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 37. The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely Mapletree Commercial Trust Management Ltd, Mapletree North Asia 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 trustees 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 is disclosed in Note 38.

18. INVESTMENT PROPERTIES

	Group 2019 $'000	Group 2018 $'000
Completed investment properties		
As at 1 April	**37,296,137**	30,386,799
Additions	**6,119,035**	2,498,711
Acquisition of subsidiaries (Note 39(a))	**2,880,150**	1,137,808
Disposals	**(22,764)**	(162,909)
Disposal of a subsidiary (Note 39(b))	**(36,639)**	–
Transfer to properties under development (Note 19)	**(22,298)**	–
Transfer from properties under development (Note 19)	**162,658**	1,824,640
Transfer from investment properties under redevelopment	**118,084**	381,821
Transfer to investment properties under redevelopment	**(107,766)**	(33,296)
Reclassified as assets of disposal group held for sale (Note 14)	**(1,683,340)**	–
Net revaluation gain recognised in profit or loss	**2,037,685**	1,878,687
Currency translation differences	**21,959**	(616,124)
As at 31 March	**46,762,901**	37,296,137
Investment properties under redevelopment		
As at 1 April	**126,193**	299,635
Additions	**89,739**	169,370
Transfer from completed investment properties	**107,766**	33,296
Transfer to completed investment properties	**(118,084)**	(381,821)
Net revaluation gain recognised in profit or loss	**8,437**	5,206
Currency translation differences	**(1,358)**	507
As at 31 March	**212,693**	126,193
Total investment properties	**46,975,594**	37,422,330

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

	Group 2019 $'000	Group 2018 $'000
Leasing income (Note 4)	**2,454,147**	1,897,783
Direct operating expenses arising from investment properties that generated leasing income	**(628,728)**	(486,728)

(b) Certain investment properties of the Group, amounting to $7,739.9 million (31 March 2018: $922.4 million, 1 April 2017: $679.0 million) are mortgaged to secure loans from financial institutions (Note 24).

(c) The fair value hierarchy, valuation process, techniques and inputs used to determine the fair values of investment properties and properties under development (Note 19) are disclosed in Note 31.

(d) As at 31 March 2019, the fair values of the investment properties and properties under development (Note 19) 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 19) on a long-term basis.

19. PROPERTIES UNDER DEVELOPMENT

	Group	
	2019	2018
	$'000	$'000
As at 1 April	**409,803**	1,662,550
Additions	**592,086**	613,556
Acquisition of subsidiaries (Note 39(a))	**3,291**	4,975
Transfer to completed investment properties (Note 18)	**(162,658)**	(1,824,640)
Transfer to properties held for sale	**–**	(37,256)
Transfer from completed investment properties (Note 18)	**22,298**	–
Disposal	**(8,468)**	–
Deconsolidation of a subsidiary	**(58,652)**	–
Net revaluation gain recognised in profit or loss	**14,523**	37,729
Currency translation differences	**(7,253)**	(47,111)
As at 31 March	**804,970**	409,803

During the financial year, finance costs capitalised as part of cost of properties under development amounted to $5.3 million (31 March 2018: $23.3 million, 1 April 2017: $20.8 million).

20. PROPERTY, PLANT AND EQUIPMENT

	Group		
	Leasehold land and building $'000	**Other assets $'000**	**Total $'000**
Cost or valuation			
As at 1 April 2017	142,321	65,142	207,463
Additions	25	19,291	19,316
Acquisition of subsidiaries	–	86	86
Write-offs/Disposals	–	(2,336)	(2,336)
Revaluation gain	4,396	–	4,396
Revaluation adjustment	(4,328)	–	(4,328)
Effect of finalisation of purchase price allocation	–	(2,798)	(2,798)
Currency translation differences	(10,435)	(7,107)	(17,542)
As at 31 March 2018	131,979	72,278	204,257
Additions	637	18,001	18,638
Write-offs/Disposals	–	(27,235)	(27,235)
Reclassified as disposal group classified as held for sale (Note 14)	–	(83)	(83)
Revaluation gain	11,747	–	11,747
Revaluation adjustment	(4,944)	–	(4,944)
Currency translation differences	1,185	782	1,967
As at 31 March 2019	140,604	63,743	204,347

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group		
	Leasehold land and building $'000	Other assets $'000	Total $'000
Cost or valuation (continued)			
Comprising:			
31 March 2018			
At cost	–	72,278	72,278
At valuation	131,979	–	131,979
	131,979	72,278	204,257
31 March 2019			
At cost	–	63,743	63,743
At valuation	140,604	–	140,604
	140,604	63,743	204,347
Accumulated depreciation			
As at 1 April 2017	–	31,895	31,895
Depreciation	4,738	13,355	18,093
Write-offs/Disposals	–	(2,156)	(2,156)
Revaluation adjustment	(4,328)	–	(4,328)
Currency translation differences	(410)	(4,133)	(4,543)
As at 31 March 2018	–	38,961	38,961
Depreciation	4,883	15,455	20,338
Write-offs/Disposals	–	(25,966)	(25,966)
Reclassified as disposal group held for sale (Note 14)	–	(5)	(5)
Revaluation adjustment	(4,944)	–	(4,944)
Currency translation differences	61	661	722
As at 31 March 2019	–	29,106	29,106
Net book value			
As at 31 March 2018	131,979	33,317	165,296
As at 31 March 2019	**140,604**	**34,637**	**175,241**

The leasehold land and building of the Group with a carrying value of $140.6 million (31 March 2018: $132.0 million, 1 April 2017: $142.3 million) are carried at the revalued amount in accordance with the Group's accounting policy as described in Note 2.5. If the leasehold land and building were included in the financial statements at cost less accumulated depreciation and impairment losses, the net book value would have been $113.6 million (31 March 2018: $114.6 million, 1 April 2017: $127.9 million).

	Company	
	Other assets $'000	Total $'000
Cost		
As at 1 April 2017	24,345	24,345
Additions	5,012	5,012
Write-offs/Disposals	(1,289)	(1,289)
As at 31 March 2018	28,068	28,068
Additions	5,409	5,409
Write-offs/Disposals	(647)	(647)
As at 31 March 2019	32,830	32,830
Accumulated depreciation		
As at 1 April 2017	16,889	16,889
Depreciation	3,896	3,896
Write-offs/Disposals	(1,196)	(1,196)
As at 31 March 2018	19,589	19,589
Depreciation	4,332	4,332
Write-offs/Disposals	(499)	(499)
As at 31 March 2019	23,422	23,422
Net book value		
As at 31 March 2018	8,479	8,479
As at 31 March 2019	**9,408**	**9,408**

21. INTANGIBLE ASSETS

	Definite Useful Life			Indefinite Useful Life		
	Software licences $'000	Customer-related intangibles $'000	Concessionary agreement $'000	Trade names $'000	Goodwill arising on consolidation $'000	Total $'000
Group						
Cost						
As at 1 April 2017	14,436	19,271	–	75,191	42,668	151,566
Additions	80	–	–	–	–	80
Acquisition of subsidiaries	144	–	76,738	–	–	76,882
Effects of finalisation of purchase price allocation	–	–	–	–	14,133	14,133
Currency translation differences	(2)	(1,423)	–	–	(2,737)	(4,162)
As at 31 March 2018	14,658	17,848	76,738	75,191	54,064	238,499
Additions	173	–	1,962	–	–	2,135
Adjustment	–	5,300	–	–	–	5,300
Write-offs/Disposal	(11)	–	–	–	–	(11)
Currency translation differences	(1)	465	–	1,630	1,309	3,403
As at 31 March 2019	14,819	23,613	78,700	76,821	55,373	249,326
Accumulated amortisation and impairment						
As at 1 April 2017	7,521	–	–	–	–	7,521
Amortisation charge	1,685	1,586	–	–	–	3,271
Impairment charged to profit or loss (Note 5)	–	–	–	13,604	–	13,604
Currency translation differences	2	–	–	4,633	–	4,635
As at 31 March 2018	9,208	1,586	–	18,237	–	29,031
Amortisation charge	1,696	2,325	9,318	–	–	13,339
Impairment charged to profit or loss (Note 5)	179	–	–	–	33,898	34,077
Currency translation differences	–	–	–	–	5	5
As at 31 March 2019	11,083	3,911	9,318	18,237	33,903	76,452
Net book value						
As at 31 March 2018	5,450	16,262	76,738	56,954	54,064	209,468
As at 31 March 2019	**3,736**	**19,702**	**69,382**	**58,584**	**21,470**	**172,874**

	Definite Useful Life	
	Software licences $'000	Total $'000
Company		
Cost		
As at 1 April 2017	12,778	12,778
Additions	80	80
As at 31 March 2018	12,858	12,858
Additions	49	49
As at 31 March 2019	12,907	12,907
Accumulated amortisation		
As at 1 April 2017	6,737	6,737
Amortisation charge	1,498	1,498
As at 31 March 2018	8,235	8,235
Amortisation charge	1,508	1,508
As at 31 March 2019	9,743	9,743
Net book value		
As at 31 March 2018	4,623	4,623
As at 31 March 2019	**3,164**	**3,164**

For purpose of impairment testing of trade names with indefinite useful life and goodwill arising from consolidation, the amounts are allocated to the Oakwood Worldwide cash generating unit ("CGU"), under the "Australia-New Zealand, North Asia and Oakwood" operating segment.

In 2019, the Group recorded an impairment charge on goodwill of $33.9 million in light of future business outlook.

In 2018, the Group recorded full impairment of certain trade names amounting to $13.6 million after a review of management strategy for these trade names, which resulted in the expectation of not recovering the carrying value of these trade names as at the reporting date.

The recoverable amount of the CGU as at the reporting date was determined based on value-in-use ("VIU") calculations, using financial projections covering a five-year period approved by management. Cash flows beyond the five-year period were extrapolated using the estimated growth rate of 2% (2018: 2%) which did not exceed the long-term average growth rate for the corporate housing and hospitality industry in countries which the CGU operates.

Other key assumptions included the budgeted gross profit margin for the period from 2020 to 2024 determined by management based on past performance and management's strategy for the CGU. The pre-tax discount rate applied to the VIU calculations was 16% (2018: 16%).

22. TRADE AND OTHER PAYABLES

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Trade payables:						
– Related parties	**4,263**	447	1,824	**–**	–	–
– Non-related parties	**73,746**	45,065	32,238	**662**	912	63
	78,009	45,512	34,062	**662**	912	63
Non-trade payables:						
– Subsidiaries	**–**	–	–	**38,494**	374,735	109,924
– Associated company	**–**	–	54,437	**–**	–	–
– Non-related parties	**158,250**	131,241	98,294	**–**	–	–
	158,250	131,241	152,731	**38,494**	374,735	109,924
Interest payable	**66,442**	64,603	49,619	**–**	–	–
Property tax payable	**30,245**	14,379	10,379	**–**	–	–
Financial guarantees	**–**	–	–	**–**	1,285	4,330
Tenancy deposits	**503,278**	401,374	378,553	**–**	–	–
Leasing received in advance	**128,078**	96,704	77,073	**–**	–	–
Value-added tax – net	**–**	–	1,586	**–**	–	–
Other deposits	**45,196**	16,173	12,572	**–**	48	24
Other payables	**9,167**	2,165	8,918	**–**	–	–
Provision for Corporate and Staff Social Responsibilities ("CSSR")	**12,316**	9,805	7,413	**12,316**	9,805	7,413
Accrued capital expenditure	**87,986**	126,005	155,396	**–**	–	–
Accrued operating expenses	**524,476**	399,819	385,916	**167,810**	130,521	136,514
Accrued share-based compensation expenses	**89,853**	55,089	26,835	**65,989**	55,089	27,025
Accrued retention sum	**33,855**	48,287	61,196	**–**	–	–
Deferred revenue	**3,368**	2,500	2,500	**–**	–	–
	1,534,260	1,236,903	1,177,956	**246,115**	196,748	175,306
Total	**1,770,519**	1,413,656	1,364,749	**285,271**	572,395	285,293
Less: Non-current portion	**(521,401)**	(361,279)	(320,254)	**(136,348)**	(106,783)	(89,585)
Current portion	**1,249,118**	1,052,377	1,044,495	**148,923**	465,612	195,708

(a) Non-trade payables due to subsidiaries and an associated company are unsecured, interest-free and repayable on demand.

(b) Provision for CSSR relates to the Group's CSSR commitments under its published Mapletree Shaping and 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 $5.0 million (31 March 2018: $4.0 million, 1 April 2017: $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 (Note 26). As at 31 March 2019, the accruals for the Group and the Company amounted to $319.8 million (31 March 2018: $218.5 million, 1 April 2017: $190.0 million) and $205.7 million (31 March 2018: $156.0 million, 1 April 2017: $135.2 million) respectively; out of which $209.6 million (31 March 2018: $148.5 million, 1 April 2017: $122.0 million) and $136.3 million (31 March 2018: $106.8 million, 1 April 2017: $89.6 million) are classified as non-current for the Group and the Company respectively.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		
	Contract notional amount $'000	Fair value of assets $'000	Fair value of liabilities $'000
31 March 2019			
Hedge accounting – Cash flow hedges			
– Interest rate swaps	8,692,272	10,642	(71,139)
– Cross currency interest rate swaps	1,265,679	20,652	(8,597)
– Currency forwards	18,627	32	(296)
		31,326	(80,032)
Hedge accounting – Net investment hedges			
– Currency forwards	1,618,488	3,466	(2,802)
Hedge accounting – Fair value hedges			
– Interest rate swaps	75,000	921	–
Non-hedge accounting			
– Interest rate swaps	261,431	–	(1,352)
– Currency forwards	4,666,892	16,525	(36,797)
– Cross currency interest rate swaps	439,100	6,710	(29,816)
		23,235	(67,965)
Represented by:			
– Current		22,510	(34,321)
– Non-current		36,438	(116,478)
		58,948	**(150,799)**
31 March 2018			
Hedge accounting – Cash flow hedges			
– Interest rate swaps	7,001,787	30,483	(9,165)
– Cross currency interest rate swaps	756,067	64,258	(2,676)
– Currency forwards	2,618	14	–
		94,755	(11,841)
Hedge accounting – Net investment hedges			
– Currency forwards	1,101,432	10,706	(1,103)
Hedge accounting – Fair value hedges			
– Interest rate swaps	75,000	–	(65)
Non-hedge accounting			
– Interest rate swaps	1,256,194	1,688	(8,215)
– Currency forwards	4,278,463	55,539	(24,973)
– Cross currency interest rate swaps	563,177	5,573	(25,084)
		62,800	(58,272)
Represented by:			
– Current		95,543	(26,882)
– Non-current		72,718	(44,399)
		168,261	(71,281)

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23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Group		
	Contract notional amount $'000	Fair value of assets $'000	Fair value of liabilities $'000
1 April 2017			
Hedge accounting – Cash flow hedges			
– Interest rate swaps	5,300,765	12,044	(26,768)
– Cross currency interest rate swaps	764,305	49,213	(13,248)
		61,257	(40,016)
Hedge accounting – Net investment hedges			
– Currency forwards	965,852	9,321	(12,341)
Hedge accounting – Fair value hedges			
– Interest rate swaps	75,000	–	(64)
Non-hedge accounting			
– Interest rate swaps	1,348,490	1,421	(7,883)
– Currency forwards	3,489,669	24,936	(33,678)
– Cross currency interest rate swaps	552,243	13,624	(52,996)
		39,981	(94,557)
Represented by:			
– Current		22,287	(41,111)
– Non-current		88,272	(105,867)
		110,559	(146,978)

Hedging instruments used in the Group's hedging strategy in the financial year ended 31 March 2019

	Contractual notional amount	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness		Hedge ineffectiveness recognised in profit or loss *	Weighted average hedged rate	Maturity date
		Assets/ (liabilities)	Financial statement line item	Hedging instrument	Hedged item			
	$'000	$'000		$'000	$'000	$'000		
Group								
Cash flow hedges								
Currency risk								
– Currency forwards to hedge quarterly dividend income receivable in foreign currency	18,627	(264)	Derivative financial instruments	(277)	277	–	SGD: 1.32 USD: 1.00	2019 – 2022
Foreign currency risk/ interest rate risk								
– Cross currency swaps to hedge floating rate borrowings denominated in foreign currency	1,265,679	12,055	Derivative financial instruments	(13,225)	15,018	1,793	1.54% – 4.65%	2019 – 2025
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	8,692,272	(60,497)	Derivative financial instruments	(65,553)	65,179	(374)	0.13% – 3.89%	2019 – 2028
Net investment hedges								
Foreign exchange risk								
– Forward contracts to hedge net investments in foreign operations	1,618,488	664	Derivative financial instruments	(979)	979	–	JPY: 0.0123 USD: 1.3627 AUD: 1.0352 EUR: 1.5258	2019
– Borrowings to hedge net investments in foreign operations	–	(683,945)	Borrowings	16,054	(16,054)	–	–	–
Fair value hedges								
Interest rate risk								
– Interest rate swaps to hedge fixed rate borrowings	75,000	921	Derivative financial instruments	986	(986)	–	3.02%	2023

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "other gains – net".

Effects of fair value hedges on hedged items in the financial year ended 31 March 2019 are as follows:

	Carrying amount of assets $'000	Financial statement line item that includes hedged item	Accumulated amount for fair value adjustments $'000
Group			
Fair value hedges			
Interest rate risk			
– Interest rate swaps to hedge fixed rate borrowings	75,921	Borrowings	921

24. BORROWINGS

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Current			
– Loan from a financial institution (secured) (Note (a))	**–**	4,207	–
– Loans from financial institutions (unsecured) (Note (b))	**2,142,256**	1,583,311	1,035,407
– Medium term notes (unsecured) (Note (c))	**144,895**	574,829	89,967
– Loans from non-controlling interests of subsidiaries (unsecured) (Note (d))	**48,549**	–	–
	2,335,700	2,162,347	1,125,374
Non-current			
– Loans from financial institutions (secured) (Note (e))	**4,409,799**	435,446	154,000
– Loans from financial institutions (unsecured) (Note (f))	**13,211,974**	11,333,555	9,055,203
– Medium term notes (unsecured) (Note (g))	**3,354,800**	2,517,892	2,610,565
– Loans from non-controlling interests of subsidiaries (unsecured) (Note (h))	**20,094**	174,249	150,325
– TMK bonds (secured) (Note (i))	**77,787**	–	–
	21,074,454	14,461,142	11,970,093
	23,410,154	16,623,489	13,095,467

(a) As at 31 March 2018, the loan from a financial institution of $4.2 million was secured by a mortgage over an investment property (Note 18) and repayable in November 2018. The effective interest rate as at the reporting date was 0.43% per annum and the interest rate was re-priced every three months.

(b) The loans from financial institutions of $2.1 billion (31 March 2018: $1.6 billion, 1 April 2017: $1.0 billion) are repayable between April 2019 and March 2020 (31 March 2018: April 2018 and March 2019, 1 April 2017: April 2017 and March 2018). The effective interest rates as at the reporting date ranged from 0.15% to 5.28% (31 March 2018: 1.11% to 5.15%, 1 April 2017: 0.45% to 8.10%) per annum and the interest rates are re-priced every one to six months (31 March 2018: one to three months, 1 April 2017: one to six months).

(c) The medium term notes issued by certain subsidiaries pursuant to their Medium Term Note Programme are repayable between November 2019 and February 2020 (31 March 2018: October 2018 and March 2019, 1 April 2017: March 2018). The effective interest rates as at the reporting date ranged from 2.65% to 2.8% (31 March 2018: 2.92% to 3.88%, 1 April 2017: 4.45%) per annum and are not subject to interest rate repricing.

(d) The current loans from non-controlling interests of subsidiaries are repayable in 2019. The effective interest rates as at the reporting date ranged from 4.78% to 7.29% per annum and the interest rates are re-priced every six months.

(e) The loans from financial institutions of $4.4 billion (31 March 2018: $435.4 million, 1 April 2017: $154.0 million) are secured by mortgages over certain investment properties (Note 18) and repayable between 2020 and 2027 (31 March 2018: 2019 and 2023, 1 April 2017: 2019). The effective interest rates as at the reporting date ranged from 0.32% to 9.05% (31 March 2018: 0.35% to 4.83%, 1 April 2017: 1.47% to 2.90%) per annum and the interest rates are re-priced every one to six months (31 March 2018: three to six months, 1 April 2017: one to three months).

(f) The loans from financial institutions of $13.2 billion (31 March 2018: $11.3 billion, 1 April 2017: $9.1 billion) are repayable between 2020 and 2026 (31 March 2018: 2019 and 2026, 1 April 2017: 2018 and 2024). The effective interest rates as at the reporting date ranged from 0.27% to 5.39% (31 March 2018: 0.43% to 5.68%, 1 April 2017: 0.29% to 7.25%) per annum and the interest rates are re-priced every one to six months (31 March 2018 and 1 April 2017: one to six months).

(g) The medium term notes issued by certain subsidiaries pursuant to their Medium Term Note Programme are repayable between 2020 and 2029 (31 March 2018: 2019 and 2027, 1 April 2017: 2018 and 2026). The effective interest rates as at the reporting date ranged from 2.51% to 3.96% (31 March 2018: 2.71% to 4.99%, 1 April 2017: 2.27% to 4.99%) per annum and the interest rates are re-priced every three to six months (31 March 2018 and 1 April 2017: three to six months).

(h) The loans from non-controlling interests of subsidiaries totalling $20.1 million (31 March 2018: $144.0 million, 1 April 2017: $120.7 million) are repayable in 2021 (31 March 2018: 2019 and 2020, 1 April 2017: 2018 and 2019). The effective interest rates as at the reporting date ranged from 3.23% to 3.55% per annum (31 March 2018: 3.23% to 6.68%, 1 April 2017: 5.55% to 8.96%) and the interest rates are re-priced every three months (31 March 2018 and 1 April 2017: every six months).

As at 31 March 2018, the loans from non-controlling interests of subsidiaries amounting to $30.2 million (2017: $29.6 million) were interest-free and had no fixed terms of repayment, although repayment was not expected within the next 12 months.

(i) The TMK bonds issued by a subsidiary are secured by mortgages over certain investment properties (Note 18) and mature between 2024 and 2025. The effective interest rates as at the reporting date ranged from 0.39% to 0.43% per annum.

25. DEFERRED INCOME TAXES

Movements in deferred income taxes are as follows:

	Group		Company	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
As at 1 April	**407,584**	280,614	**(20,502)**	(22,175)
Tax (credited)/charged to:				
– Profit or loss	**(11,970)**	134,906	**(12,695)**	13,327
– Other comprehensive income	**(4,382)**	6,980	**–**	–
– Equity	**(9,482)**	(10,601)	**–**	–
Reclassification	**–**	(11,654)	**–**	(11,654)
Acquisition of subsidiaries (Note 39(a))	**15,759**	8,424	**–**	–
Utilisation of tax benefits	**9,482**	8,799	**–**	–
Currency translation differences	**(6,119)**	(9,884)	**–**	–
As at 31 March	**400,872**	407,584	**(33,197)**	(20,502)

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 $168.3 million (31 March 2018: $55.8 million, 1 April 2017: $60.6 million) as at the 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 in their respective countries of incorporation. The tax losses have no expiry date except for an amount of $66.0 million (31 March 2018: $41.2 million, 1 April 2017: $55.5 million) which will expire between 2019 and 2029.

Deferred income tax liabilities have not been recognised for the withholding and other taxes that will be payable on the unremitted earnings of $150.9 million (31 March 2018: $72.3 million, 1 April 2017: $27.7 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.

25. DEFERRED INCOME TAXES (CONTINUED)

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

Group

	Accelerated tax depreciation $'000	Revaluation gains $'000	Accrued revenue $'000	Others $'000	Total $'000
Deferred income tax liabilities					
As at 1 April 2018	207,025	246,464	975	10,674	465,138
Acquisition of subsidiaries (Note 39(a))	–	12,709	–	6,254	18,963
Charged/(credited) to:					
– Profit or loss	35,637	(20,721)	3,888	(408)	18,396
– Other comprehensive income	–	577	–	(4,959)	(4,382)
Currency translation differences	160	(8,518)	(36)	3,750	(4,644)
As at 31 March 2019	**242,822**	**230,511**	**4,827**	**15,311**	**493,471**
As at 1 April 2017	158,267	172,163	764	3,701	334,895
Acquisition of subsidiaries	8,424	–	–	–	8,424
Charged to:					
– Profit or loss	47,237	76,861	302	1,151	125,551
– Other comprehensive income	–	385	–	–	385
Transfer from deferred tax assets	–	–	–	5,826	5,826
Currency translation differences	(6,903)	(2,945)	(91)	(4)	(9,943)
As at 31 March 2018	207,025	246,464	975	10,674	465,138

	Net fair value changes $'000	Perpetual securities $'000	Provisions $'000	Tax losses $'000	Total $'000
Deferred income tax assets					
As at 1 April 2018	–	(2,745)	(42,057)	(12,752)	(57,554)
Acquisition of subsidiaries (Note 39(a))	–	–	–	(3,204)	(3,204)
Credited to profit or loss:					
– Profit or loss	–	–	(21,637)	(8,729)	(30,366)
– Equity	–	(9,482)	–	–	(9,482)
Utilisation of tax benefits	–	9,482	–	–	9,482
Currency translation differences	–	–	(1,579)	104	(1,475)
As at 31 March 2019	**–**	**(2,745)**	**(65,273)**	**(24,581)**	**(92,599)**
As at 1 April 2017	(1,100)	(943)	(37,364)	(14,874)	(54,281)
Charged/(credited) to:					
– Profit or loss	251	–	7,001	2,103	9,355
– Other comprehensive income	6,595	–	–	–	6,595
– Equity	–	(10,601)	–	–	(10,601)
Reclassification	–	–	(11,654)	–	(11,654)
Utilisation of tax benefits	–	8,799	–	–	8,799
Currency translation differences	80	–	(40)	19	59
Transfer to deferred tax liabilities	(5,826)	–	–	–	(5,826)
As at 31 March 2018	–	(2,745)	(42,057)	(12,752)	(57,554)

Company

	Accelerated tax depreciation $'000	Notional interest income $'000	Total $'000
Deferred income tax liabilities			
As at 1 April 2018	2,107	155	2,262
(Credited)/charged to profit or loss	(20)	57	37
As at 31 March 2019	**2,087**	**212**	**2,299**
As at 1 April 2017	1,574	69	1,643
Charged to profit or loss	533	86	619
As at 31 March 2018	2,107	155	2,262

	Provisions $'000
Deferred income tax assets	
As at 1 April 2018	(22,764)
Credited to profit or loss	(12,732)
As at 31 March 2019	**(35,496)**
As at 1 April 2017	(23,818)
Charged to profit or loss	12,708
Reclassification	(11,654)
As at 31 March 2018	(22,764)

26. 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 as at 31 March 2019, 31 March 2018 and 1 April 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**

26. SHARE CAPITAL (CONTINUED)

Issued and fully paid Series A RPS (continued)

The Series A 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;

(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 ("PSU") Plan and Mapletree Restricted Share Units ("RSU") 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 shareholders 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 from 4 November 2009.

Under the Plans, awards are granted to eligible participants. Eligible participants of the Plans include selected employees of the Company, subsidiaries and 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 the extended period of service beyond the performance target completion date have been fulfilled.

The number of PSU outstanding under the Mapletree PSU Plan as at the end of the financial year is summarised below:

	2019 '000	2018 '000
As at 1 April	**16,203**	14,973
Initial award granted	**4,600**	4,025
Adjustment for performance targets	**(88)**	(327)
Forfeited/cancelled	**(261)**	(458)
Released	**(1,377)**	(2,010)
As at 31 March	**19,077**	16,203

26. SHARE CAPITAL (CONTINUED)

Share-based compensation plans of the Company (continued)

(a) Mapletree PSU Plan and Mapletree RSU Plan (continued)

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 1,377,279 (2018: 2,010,250) were cash-settled.

The number of PSU awarded and outstanding of 19,077,300 (31 March 2018: 16,202,518, 1 April 2017: 14,972,545) is to be cash-settled. The final number of units to be released in respect of 19,077,300 (31 March 2018: 16,202,518, 1 April 2017: 14,972,545) 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:

	2019 '000	2018 '000
As at 1 April	**4,857**	5,071
Initial award granted	**2,717**	2,211
Adjustment for performance targets	**103**	588
Forfeited/cancelled	**(273)**	(336)
Released	**(2,517)**	(2,677)
As at 31 March	**4,887**	4,857

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 2,517,209 (2018: 2,677,223) were cash-settled.

The number of RSU awarded and outstanding of 4,886,571 (31 March 2018: 4,857,388, 1 April 2017: 5,070,959) is to be cash-settled. The final number of units to be released in respect of 2,595,745 (31 March 2018: 2,071,521, 1 April 2017: 2,340,790) of outstanding RSU has not been determined.

PSU and RSU that are expected to be cash-settled are measured at their current fair values as at the reporting date. The fair value is measured based on a share price of $4.69 (31 March 2018: $4.59, 1 April 2017: $3.72) as at the reporting date.

(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 from 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.

The number of NED RSU outstanding under the Mapletree NED RSU Plan at the reporting date is summarised below:

	2019	2018
	'000	'000
As at 1 April	**214**	185
Granted	**46**	52
Exercised	**(30)**	(23)
As at 31 March	**230**	214

The NED RSU exercised during the financial year of 30,130 (2018: 23,076) were cash-settled.

The number of units awarded, vested and outstanding of 230,240 (31 March 2018: 214,378, 1 April 2017: 185,146) is to be cash-settled. The fair value of the cash-settled award of NED RSU as at the reporting date is determined based on the net asset value (excluding perpetual securities) per share of the Group as at the reporting date, 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

The respective Nomination and Remuneration Committee of the Group's wholly-owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree North Asia 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") in the financial year ended 31 March 2017. This is in compliance with the MAS guideline on REIT compensation governance where the plans are linked to performance of the respective REIT. The duration of each share plan is 10 years commencing from July 2016. The first grant of award under the Plans was made in November 2016. 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 in the profit or loss amounted to $6,455,423 (2018: $3,094,576).

27. PERPETUAL SECURITIES

The Group has issued the following perpetual securities:

(a) Mapletree Treasury Services Limited

Mapletree Treasury Services Limited ("MTSL"), a wholly-owned subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $600 million in July 2012 ("2012 Issuance"), $625 million in January 2017 ("2017 Issuance") and $700 million in May 2017 ("2018 Issuance"). The perpetual securities are guaranteed by the Company.

The perpetual securities bear distributions at a rate of 5.125% per annum for the 2012 Issuance, 4.50% per annum for the 2017 Issuance and 3.95% per annum for the 2018 Issuance, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, MTSL may elect to defer making such cumulative distributions and is not subject to any limits as to the number of times a distribution can be deferred.

These perpetual securities have no fixed redemption date and redemption is at the discretion of MTSL. In July 2017, MTSL fully redeemed the $600 million 2012 Issuance.

As at 31 March 2019, total incremental cost of $11.1 million (2018: $11.1 million) was recognised in equity as a deduction from proceeds.

(b) Mapletree Logistics Trust

Mapletree Logistics Trust ("MLT"), a subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $350 million in March 2012 ("2012 Issuance") and $180 million in September 2017 ("2017 Issuance"). 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 declares or pays any distributions to the holders of the perpetual securities.

The perpetual securities bear distributions at a rate of 5.375% per annum for the 2012 Issuance and 3.65% per annum for the 2017 Issuance, payable semi-annually. MLT may elect to defer making such non-cumulative distributions and is not subject to any limits as to the number of times a distribution can be deferred.

These perpetual securities have no fixed redemption date and redemption is at the discretion of MLT. In September 2017, MLT fully redeemed the $350 million 2012 Issuance.

As at 31 March 2019, total incremental cost of $3.8 million (2018: $3.8 million) was recognised in equity as a deduction from proceeds.

The Group is considered to have no contractual obligations to call its principal or to pay any distributions and the perpetual securities of MTSL and MLT do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Disclosure and Presentation. Both instruments are presented within equity and distributions are treated as dividends.

28. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	$'000	$'000	$'000	**$'000**	$'000	$'000
Unsecured bankers' guarantees given in respect of operations	**42,629**	8,599	10,642	**9,457**	6,838	6,543

29. COMMITMENTS

(a) Capital commitments

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Development expenditure contracted for	**634,430**	432,289	677,715
Capital expenditure contracted for	**144,278**	–	–
Commitments in respect of equity participation in associated companies	**14,135**	98,058	689,801

(b) Operating lease commitments – where the Group is a lessor

The Group leases property spaces under non-cancellable operating lease agreements. The leases have escalation clauses and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Not later than one year	**2,656,334**	2,162,993	1,925,307
Between one and five years	**5,562,957**	4,343,724	3,617,211
Later than five years	**2,884,140**	1,933,070	1,690,742
	11,103,431	8,439,787	7,233,260

Certain operating leases are subject to revision based on market rates at periodic intervals. For the purpose of the above disclosure, the prevailing rates are used.

(c) Operating lease commitments – where the Group is a lessee

The Group leases land and property spaces under non-cancellable operating lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for as at the reporting date but not recognised as liabilities, are as follows:

	Group		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Not later than one year	**89,916**	160,229	111,521
Between one and five years	**105,292**	171,842	70,894
Later than five years	**163,049**	57,552	49,599
	358,257	389,623	232,014

Not included above are certain operating leases in Singapore, China 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 terms of up to 88 years as at the reporting date and are subjected to revision of land rent at periodic intervals. Based on the prevailing land rent rates, these operating leases as at the reporting date approximate $15.0 million (31 March 2018: $14.8 million, 1 April 2017: $15.1 million).

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30. 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 risks.

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 risk, interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the 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 foreign exchange risk on its foreign currency denominated assets and liabilities. This currency exposure, where practicable and appropriate, is managed through borrowings 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.

Foreign exchange risk is measured through a forecast of highly probable foreign currency expenditure. The objective of the hedges is to minimise the volatility of the Group's currency cost of highly probable transactions. In order to achieve this objective, the Group entered into cash flow hedges for the highly probable purchase transactions. The foreign exchange forwards are denominated in the same currency as the highly probable purchase transactions; therefore the hedge ratio is 1:1.

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 reserve. 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.

There was no hedge ineffectiveness for the financial year ended 31 March 2019 in relation to the cash flow and net investment hedges.

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
31 March 2019										
Financial assets										
Cash and cash equivalents	264,339	532,223	438,832	39,686	215,175	25,411	30,113	92,918	119,252	101,342
Trade and other receivables (including intercompany balances)	11,719,541	11,464,789	5,005,462	653,993	1,107,702	330,878	426,011	2,762,980	3,067,847	51,172
Deposits	12,820	20,910	5,364	1,938	24,906	12,256	–	1,756	122	3,272
	11,996,700	12,017,922	5,449,658	695,617	1,347,783	368,545	456,124	2,857,654	3,187,221	155,786
Financial liabilities										
Borrowings	5,943,895	6,877,797	1,611,501	2,995,381	1,869,022	305,483	1,021,279	1,733,495	1,607,290	–
Trade and other payables (including intercompany balances)	12,443,177	11,310,012	5,115,033	826,079	1,064,667	247,180	432,947	2,744,914	3,035,633	89,419
	18,387,072	18,187,809	6,726,534	3,821,460	2,933,689	552,663	1,454,226	4,478,409	4,642,923	89,419
Net financial (liabilities)/assets	**(6,390,372)**	**(6,169,887)**	**(1,276,876)**	**(3,125,843)**	**(1,585,906)**	**(184,118)**	**(998,102)**	**(1,620,755)**	**(1,455,702)**	**66,367**
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	5,320,350	7,400,987	2,519,192	3,348,154	1,728,557	372,656	952,621	1,907,071	351,971	(60,701)
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	889,361	(2,194,127)	(973,673)	(98,473)	(122,605)	(167,555)	–	(385,229)	(2,423)	–
Loans designated as net investment hedge	152,220	675,591	–	–	–	–	65,830	113,930	423,515	–
Currency exposures on financial (liabilities)/assets	**(28,441)**	**(287,436)**	**268,643**	**123,838**	**20,046**	**20,983**	**20,349**	**15,017**	**(682,639)**	**5,666**

30. 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
31 March 2018										
Financial assets										
Cash and cash equivalents	251,560	184,083	398,751	45,965	87,224	27,262	31,706	109,904	13,440	102,444
Trade and other receivables (including intercompany balances)	10,008,350	7,596,254	3,754,648	518,227	572,028	278,383	435,318	2,370,659	677,106	46,020
Deposits	1,839	327,940	4,753	1,817	25,299	2,915	55	159	24,657	3,334
	10,261,749	8,108,277	4,158,152	566,009	684,551	308,560	467,079	2,480,722	715,203	151,798
Financial liabilities										
Borrowings	5,103,643	2,960,574	1,046,186	3,082,057	1,201,525	308,292	1,016,045	1,621,549	283,618	–
Trade and other payables (including intercompany balances)	10,535,417	7,522,772	3,977,776	677,259	466,251	225,865	421,848	2,367,401	673,807	78,759
	15,639,060	10,483,346	5,023,962	3,759,316	1,667,776	534,157	1,437,893	3,988,950	957,425	78,759
Net financial (liabilities)/assets	(5,377,311)	(2,375,069)	(865,810)	(3,193,307)	(983,225)	(225,597)	(970,814)	(1,508,228)	(242,222)	73,039
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	4,191,541	4,292,008	1,581,535	3,194,123	1,055,912	394,705	906,911	1,868,919	241,553	(72,590)
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	794,985	(2,485,096)	(751,783)	(13,385)	(89,589)	(159,302)	–	(333,010)	–	–
Loans designated as net investment hedge	346,265	186,456	50,876	–	–	–	76,543	–	–	–
Currency exposures on financial (liabilities)/assets	(44,520)	(381,701)	14,818	(12,569)	(16,902)	9,806	12,640	27,681	(669)	449

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
1 April 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
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 as 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

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The Company's financial assets and liabilities are mainly denominated in SGD.

The Group's exposures to currency risk mainly relate to USD exposure for VND functional currency entities, EUR exposure for Polish Złoty ("PLN") functional currency entities and RMB exposure for SGD functional currency entities (31 March 2018 and 1 April 2017: USD exposure for VND functional currency entities and RMB exposure for SGD functional currency entities).

If the Group's USD, RMB and EUR exposures change against the respective functional currencies by 4.0% (31 March 2018 and 1 April 2017: 5.0%) with all other variables including tax rate being held constant, the effects arising from the Group's net currency exposure will be as follows:

	Group Increase/(decrease)		
	31 March		1 April
	2019	2018	2017
	Profit after tax	Profit after tax	Profit after tax
	$'000	$'000	$'000
USD against VND			
– Strengthened	**(14,763)**	(17,223)	(15,204)
– Weakened	**14,763**	17,223	15,204
RMB against SGD			
– Strengthened	**8,919**	615	573
– Weakened	**(8,919)**	(615)	(573)
EUR against PLN			
– Strengthened	**(25,226)**	–	–
– Weakened	**25,226**	–	–

(ii) *Price risk*

The Group is not exposed to significant equity price risk as it does not hold any significant equity securities which are classified as financial assets, at FVOCI.

(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 the use of floating-to-fixed interest rate swaps and/or interest rate caps.

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans; therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the financial year, the economic relationship was 100% effective.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item and so, a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness has occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

The Group's borrowings at variable rates for which effective hedges have not been entered into are denominated mainly in JPY, USD, RMB, GBP, SGD, MYR and HKD (31 March 2018 and 1 April 2017: JPY, USD, RMB, GBP, SGD, MYR and HKD). If the interest rates increase or decrease by 0.50% (31 March 2018 and 1 April 2017: 0.50%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by $28.5 million (31 March 2018: $25.1 million, 1 April 2017: 13.6 million) and higher by $28.5 million (31 March 2018: $25.1 million, 1 April 2017: 13.6 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by $64.6 million (31 March 2018: $37.1 million, 1 April 2017: $48.5 million) and lower by $67.6 million (31 March 2018: $35.4 million, 1 April 2017: $49.0 million) mainly as a result of higher fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that the 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 and trade and other receivables. 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 concentration 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.

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 statement of financial position, except as follows:

	Company		
	31 March		1 April
	2019	2018	2017
	$'000	$'000	$'000
Corporate guarantees provided to financial institutions on loans of subsidiaries and a joint venture	**13,941,195**	7,581,134	4,628,000

Cash and cash equivalents, deposit placed with a subsidiary, receivables from subsidiaries and associated companies and other receivables are subject to immaterial credit losses.

(i) Trade receivables

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables. Based on the above, the Group's credit risk exposure for trade receivables as at 31 March 2019 has been assessed to be immaterial.

Trade receivables are assessed to be in default when one or more events that have a detrimental impact on the estimated future cash flows of that trade debtor have occurred, such as but not limiting to initiation of bankruptcy proceedings or a breach of contract. Trade receivables are impaired (net of security deposits and bankers' guarantees) when the counterparty fails to make payments in accordance with the contractual terms of agreement. Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2019 is set out as follows:

	Past due		
	Less than 3 months $'000	More than 3 months $'000	Total $'000
31 March 2019			
Gross carrying amount:			
– Past due but not impaired	45,151	5,215	**50,366**
– Past due and impaired	–	7,939	**7,939**
	45,151	13,154	**58,305**
Less: Allowance for impairment			**(7,586)**
Net carrying amount			**50,719**

The Group's movements in credit loss allowance for trade receivables are as follows:

	2019 $'000	2018 $'000
As at 1 April	**856**	1,060
Acquisition of subsidiaries	**661**	–
Allowance made	**6,117**	395
Allowance utilised	**(161)**	(135)
Allowance reversed	**(7)**	(327)
Currency translation differences	**120**	(137)
As at 31 March	**7,586**	856

The Group and the Company believe that no additional loss allowance is necessary in respect of the remaining trade and other receivables in view of the credit management policy as these receivables arise mainly from tenants with good collection records and there is sufficient security in the form of bankers' guarantees, insurance bonds or cash security deposits as collaterals.

(ii) *Financial guarantees*

The Company has issued financial guarantees to financial institutions for borrowings of its subsidiaries and a joint venture. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Previous accounting policy for impairment of trade receivables

For the financial year ended 31 March 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; or
- Default or delinquency in payments.

The Group's credit risk exposure in relation to trade receivables under SFRS 39 as at 31 March 2018 and 1 April 2017 was set out as follows:

	Past due		
	Less than 3 months $'000	More than 3 months $'000	Total $'000
31 March 2018			
Gross carrying amount:			
– Past due but not impaired	49,795	26,238	76,033
– Past due and impaired	–	1,311	1,311
	49,795	27,549	77,344
Less: Allowance for impairment			(856)
Net carrying amount			76,488
1 April 2017			
Gross carrying amount:			
– Past due but not impaired	44,358	51,982	96,340
– Past due and impaired	–	1,780	1,780
	44,358	53,762	98,120
Less: Allowance for impairment			(1,060)
Net carrying amount			97,060

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 loans to a non-related party that are neither past due nor impaired are substantially counterparties with a good collection track record with the Group.

Other than the above, there was no credit loss allowance for other financial assets at amortised cost as at 31 March 2018 and 1 April 2017.

(c) **Liquidity risk**

The Group adopts prudent liquidity risk management by maintaining sufficient cash and committed bank financing to fund its working capital, 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			
31 March 2019			
Trade and other payables	1,119,950	427,666	91,457
Borrowings	2,785,841	14,661,710	8,528,089
	3,905,791	**15,089,376**	**8,619,546**
31 March 2018			
Trade and other payables	955,673	325,875	32,904
Borrowings	2,512,914	12,678,109	2,565,842
	3,468,587	13,003,984	2,598,746
1 April 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
Company			
31 March 2019			
Trade and other payables	**148,923**	**117,952**	**18,396**
31 March 2018			
Trade and other payables	465,612	93,495	13,288
1 April 2017			
Trade and other payables	195,708	75,340	14,245

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

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			
31 March 2019			
Net-settled interest rate swaps and cross currency swaps			
– Net cash outflows	**25,121**	**46,880**	**5,203**
Gross-settled currency forwards and cross currency swaps			
– Receipts	**(4,373,686)**	**(529,492)**	**(17,036)**
– Payments	**4,417,240**	**581,380**	**14,608**
31 March 2018			
Net-settled interest rate swaps and cross currency swaps			
– Net cash outflows	17,439	19,669	1,690
Gross-settled currency forwards and cross currency swaps			
– Receipts	(1,816,624)	(453,650)	(28,635)
– Payments	1,857,299	476,349	25,203
1 April 2017			
Net-settled interest rate swaps and cross currency swaps			
– Net cash outflows	15,055	17,591	–
Gross-settled currency forwards and cross currency swaps			
– Receipts	(2,982,434)	(528,214)	(11,244)
– Payments	3,032,463	591,137	10,639

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and 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.

As at 31 March 2019, the Group is required by the financial institutions to maintain a consolidated tangible net worth of not less than $1.0 billion. As at 31 March 2018 and 1 April 2017, the Group was required by the financial institutions to maintain a consolidated tangible net worth of not less than $1.0 billion and consolidated equity of not less than $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 $'000	Company $'000
31 March 2019		
Financial assets, at FVPL	**152,501**	**–**
Financial assets, at FVOCI	**69,564**	**–**
Financial assets, at amortised cost	**2,832,702**	**7,486,684**
Financial liabilities, at FVPL	**150,799**	**–**
Financial liabilities, at amortised cost	**25,049,227**	**285,271**
31 March 2018		
Financial assets, at FVPL	168,261	–
Available-for-sale financial assets	69,564	–
Loans and receivables	2,261,220	7,059,864
Financial liabilities, at FVPL	71,281	–
Financial liabilities, at amortised cost	17,937,941	572,395
1 April 2017		
Financial assets, at FVPL	110,559	–
Available-for-sale financial assets	142,965	–
Loans and receivables	1,873,470	5,593,751
Financial liabilities, at FVPL	146,978	–
Financial liabilities, at amortised cost	14,379,057	285,104

31. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

In addition to the disclosure in Note 14, 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)

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				
31 March 2019				
Financial assets				
Derivative financial instruments	–	58,948	–	58,948
Financial assets, at FVPL	–	–	93,553	93,553
Financial assets, at FVOCI	–	–	69,564	69,564
	–	**58,948**	**163,117**	**222,065**
Financial liabilities				
Derivative financial instruments	**–**	**(150,799)**	**–**	**(150,799)**
Non-financial assets				
Completed investment properties	–	–	46,762,901	46,762,901
Investment properties under redevelopment	–	–	212,693	212,693
Properties under development	–	–	804,970	804,970
Property, plant and equipment	–	–	140,604	140,604
	–	**–**	**47,921,168**	**47,921,168**
31 March 2018				
Financial assets				
Derivative financial instruments	–	168,261	–	168,261
Available-for-sale financial assets				
– Unquoted	–	–	69,564	69,564
	–	168,261	69,564	237,825
Financial liabilities				
Derivative financial instruments	–	(71,281)	–	(71,281)
Non-financial assets				
Completed investment properties	–	–	37,296,137	37,296,137
Investment properties under redevelopment	–	–	126,193	126,193
Properties under development	–	–	409,803	409,803
Property, plant and equipment	–	–	131,979	131,979
	–	–	37,964,112	37,964,112

(b) Valuation techniques

(i) Financial assets and financial liabilities at fair value

The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date. The quoted market price used for the quoted financial instruments 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 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 is 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 as at the reporting date. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair values of financial assets, at FVPL and FVOCI are classified as Level 3 and are determined using the present value of the estimated future cash flows and net asset values of the investee companies respectively.

(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 over the unexpired lease term.

- Discounted cash flows – 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 prevailing market conditions.

- Residual value – Investment properties under redevelopment or properties under 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 as at the 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 valuations 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 financial liabilities not carried at fair values

The carrying values of trade and other receivables, other 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 values of borrowings approximate their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rates except for the fixed rate medium term notes of $3.2 billion (31 March 2018: $2.8 billion, 1 April 2017: $2.5 billion) whose fair value amounted to $3.3 billion (31 March 2018: $2.8 billion, 1 April 2017: $2.5 billion), determined from adjusted quoted prices.

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31. 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 18, properties under development in Note 19 and leasehold land and building under property, plant and equipment in Note 20.

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:

Description	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Income capitalisation	Capitalisation rate • Singapore: 3.6% to 9.0% *(31 March 2018: 3.7% to 9.0%, 1 April 2017: 3.9% to 9.5%)* • Others: 3.8% to 10.5% *(31 March 2018: 3.6% to 11.3%, 1 April 2017: 3.9% to 12.5%)*	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flows	Discount rate • Singapore: 6.8% to 12.0% *(31 March 2018: 7.0% to 12.0%, 1 April 2017: 7.0% to 12.0%)* • Others: 3.4% to 15.0% *(31 March 2018: 3.4% to 14.0%, 1 April 2017: 4.5% to 14.0%)*	The higher the discount rate, the lower the fair value.
		Terminal yield • Singapore: 4.4% to 7.6% (31 *March 2018: 4.5% to 6.3%,* 1 *April* 2017: 4.6% to 6.5%) • Others: 3.8% to 10.5% *(31 March 2018: 2.8% to 16.5%, 1 April 2017: 4.4% to 17.0%)*	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Singapore: $24,374 psm *(31 March 2018: $590 to $1,725 psm, 1 April 2017: $590 to $1,725 psm)* • Others: $333 to $13,055 psm *(31 March 2018: $329 to $12,572 psm, 1 April 2017: $347 to $11,893 psm)*	The higher the adjusted price, the higher the fair value.
Investment properties under redevelopment	Residual value	Gross development valuation • Singapore: $3,443 to $17,572 psm *(31 March 2018: $3,379 to $16,388 psm, 1 April 2017: $2,003 to $15,647 psm)*	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: $541 to $4,103 psm *(31 March 2018: $3,155 to $5,649 psm, 1 April 2017: $1,304 to $6,081 psm)*	The higher the development cost, the lower the fair value.

Description	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Properties under development	Income capitalisation	Capitalisation rate • Others: 10.0% to 13.5% *(31 March 2018: Nil, 1 April 2017: Nil)*	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	Adjusted price • Others: \$48 to \$395 psm *(31 March 2018: \$48 to \$117 psm, 1 April 2017: \$49 to \$643 psm)*	The higher the adjusted price, the higher the fair value.
	Residual value	Gross development valuation • Others: \$534 to \$774 psm *(31 March 2018: \$518 to \$736 psm, 1 April 2017: \$549 to \$22,776 psm)*	The higher the gross development valuation, the higher the fair value.
		Development cost • Others: \$414 to \$693 psm *(31 March 2018: \$310 to \$506 psm, 1 April 2017: \$331 to \$5,907 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: 8.8% *(31 March 2018: 9.0%, 1 April 2017: 10.0%)*	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	Adjusted price • Others: Nil *(31 March 2018: Nil, 1 April 2017: \$436,800 per room)*	The higher the adjusted price, the higher the fair value.

32. 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.

33. 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	
	2019	2018
	$'000	$'000
Leasing and other services to related corporations	**50,593**	51,432
Purchase of goods/services from related corporations	**17,828**	13,367
Fees from provision of fund management services to associated companies	**186,352**	28,664
Dividend income from associated companies	**267,455**	24,109
Interest expense to related corporations	**68,712**	52,309
Trustee's fees to Trustee	**2,189**	2,032
Acquisition of properties from an associated company	**988,273**	–
Return of capital from associated companies	**359,836**	–

(b) Key management personnel compensation

	Group	
	2019	2018
	$'000	$'000
Salaries and other short-term employee benefits	**39,839**	19,302
Post-employment benefits – Contribution to CPF	**206**	232
Share-based compensation expenses	**33,125**	23,843
	73,170	43,377

(c) PSU and RSU granted to key management

During the financial year, the Group granted 5,373,419 PSU and 3,003,394 RSU (2018: 4,436,594 PSU and 2,301,691 RSU) to key management of the Group under the share-based compensation plans as set out in Note 26. 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 2019 granted by the Group to key management of the Group was 19,890,707 and 5,336,931 (31 March 2018: 15,739,958 and 4,340,058, 1 April 2017: 13,180,790 and 3,209,305) respectively.

34. DIVIDENDS

	Group and Company	
	2019	2018
	$'000	$'000
Final exempt (one-tier) redeemable preference share dividends paid in respect of the prior financial year of $1,000 (2018: $1,000) per redeemable preference share	**15,700**	15,700
Final exempt (one-tier) ordinary share dividend paid in respect of the prior financial year of 13.1338 cents (2018: 12.7993 cents) per ordinary share	**200,200**	195,100
	215,900	210,800

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 (2018: $1,000) per redeemable preference share amounting to $15.7 million (2018: $15.7 million); and

– Final exempt (one-tier) ordinary share dividend of 16.8208 cents (2018: 13.1338 cents) per ordinary share amounting to $256.4 million (2018: $200.2 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 2020.

35. 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, corporate housing operating and fee income, 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 cost ("OIC"). Gains or losses on foreign exchange, fair value adjustments for derivative financial instruments, unrealised gains or losses, inter-alia, revaluations gains or losses (except for those arising from corporate restructuring), impairment of intangible assets, negative goodwill and dilution gains or losses are not included.

	Group	
	2019	2018
	$'000	$'000
Profit attributable to equity holder of the Company	**2,088,288**	1,873,683
Profit attributable to perpetual securities holders		
– Mapletree Treasury Services Limited	**55,775**	62,357
– Mapletree Logistics Trust	**17,020**	22,594
	2,161,083	1,958,634
Adjustments for non-cash items		
Net revaluation gain on investment properties and properties under development (net of deferred tax) #	**(1,362,700)**	(1,123,095)
Share of associated companies and joint ventures:		
– Net gain on revaluation of investment properties and properties under development	**(47,249)**	(119,114)
– Net (loss)/gain from foreign exchange and derivative financial instruments	**885**	(36,897)
– Disposal gains	**(179,671)**	–
– Other non-operating items	**(644)**	(1,829)
	(226,679)	(157,840)
Net loss from foreign exchange and derivative financial instruments #	**69,987**	18,988
Other non-operating items	**(4,739)**	(243)
Gains/(losses) based on OIC		
Share of associated company's disposal gain measured at OIC *	**197,795**	–
Corporate restructuring surplus measured at OIC *	**30,750**	141,914
Net divestment gain/(loss) measured at OIC *	**84,628**	(73,944)
Operational PATMI	**950,125**	764,414

Net of non-controlling interests
* Represents cumulative revaluation gains realised

36. SEGMENT REPORTING

The operating segments are determined based on the segment reports reviewed by the Executive Management Committee ("EMC") for strategic and operational decision-making purposes. The EMC comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Corporate Officer, Head of Group Development Management and the Heads of each business unit.

The EMC considers the business from both a geographic and business segment perspective. In the current financial year, the organisation of the Group's business units and segment reports received by the EMC were changed to reflect the Group's business activities and operations. The comparative segment information presented has been restated to conform to the presentation in the current financial year.

The following summary describes the operations from the business segment perspective:

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

- **Logistics Development**
  Developer/investor/manager of logistics properties in China, Malaysia and Vietnam

- **China and India**
  Developer/investor/manager of properties in China and India

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

- **Australia-New Zealand, North Asia and Oakwood**
  Developer/investor/manager of properties in Australia, Hong Kong SAR, Japan and Oakwood

- **Europe and USA**
  Developer/investor/manager of properties in Europe, the United Kingdom, the United States and Canada

- **Singapore-Listed REITs**
  Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust

- **Others**
  Investor of data centres in the United States and corporate departments

The segment information provided to the EMC for the reportable segments is as follows:

	Singapore Investments $'000	Logistics Development $'000	China and India $'000	South East Asia $'000	Australia-New Zealand, North Asia and Oakwood $'000	Europe and USA $'000	Singapore-Listed REITs $'000	Others $'000	Total $'000
2019									
Revenue	**272,655**	**91,770**	**123,914**	**140,134**	**933,814**	**623,336**	**1,683,013**	**79,512**	**3,948,148**
Segmental results									
Earnings/(losses) before revaluation gains/(losses), interest and tax	187,228	59,133	98,384	62,219	98,624	422,618	1,357,963	(286,195)	1,999,974
Net revaluation gain on investment properties and properties under development	209,537	37,241	16,156	16,310	339,719	295,079	1,093,831	52,772	2,060,645
Share of (loss)/profit in associated companies and joint ventures	(1,328)	130	127,490	11,552	32,752	28,936	–	–	199,532
	395,437	**96,504**	**242,030**	**90,081**	**471,095**	**746,633**	**2,451,794**	**(233,423)**	**4,260,151**
Finance costs – net	–	–	–	–	–	–	(253,451)	(354,338)	(607,789)
Tax expense	–	–	–	–	–	–	(124,857)	(69,875)	(194,732)
Profit for the financial year									**3,457,630**
Segment assets	**3,576,409**	**2,694,609**	**1,622,251**	**1,493,684**	**5,297,684**	**11,806,938**	**27,227,715**	**1,269,460**	**54,988,750**
Segment liabilities	**149,734**	**229,393**	**351,187**	**143,728**	**266,165**	**293,204**	**10,577,164**	**14,629,735**	**26,640,310**
Other segment items									
Depreciation and amortisation	**(9,618)**	**(98)**	**(63)**	**(6,272)**	**(9,707)**	**(572)**	**(1,116)**	**(6,231)**	**(33,677)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	China (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	The United States $'000	Australia $'000	Rest of the World $'000	Total $'000
2019										
Geography information										
Revenue	**1,243,344**	**180,799**	**323,574**	**382,182**	**199,883**	**312,538**	**1,076,514**	**114,198**	**115,116**	**3,948,148**
Non-current assets	**17,403,040**	**1,893,192**	**4,458,598**	**7,444,649**	**2,544,137**	**3,958,330**	**8,992,607**	**1,522,672**	**972,278**	**49,189,503**
Total assets	**17,994,635**	**2,338,610**	**5,670,982**	**9,217,037**	**3,065,918**	**4,463,027**	**9,756,751**	**1,447,768**	**1,034,022**	**54,988,750**

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36. SEGMENT REPORTING (CONTINUED)

	Singapore Investments $'000	Logistics Development $'000	China and India $'000	South East Asia $'000	Australia-New Zealand, North Asia and Oakwood $'000	Europe and USA $'000	Singapore-Listed REITs $'000	Others $'000	Total $'000
2018									
Revenue	209,956	69,810	48,936	136,835	909,887	259,305	1,546,673	12,999	3,194,401
Segmental results									
Earnings/(losses) before revaluation gains/(losses), interest and tax	155,587	40,170	12,571	65,348	55,569	173,170	1,283,208	(121,200)	1,664,423
Net revaluation gain on investment properties and properties under development	172,308	156,246	8,295	17,938	348,371	99,417	1,047,089	71,958	1,921,622
Share of profit in associated companies and joint ventures	–	4,100	100,083	14,866	111,724	34,398	–	–	265,171
	327,895	200,516	120,949	98,152	515,664	306,985	2,330,297	(49,242)	3,851,216
Finance costs – net	–	–	–	–	–	–	(218,847)	(143,328)	(362,175)
Tax expense	–	–	–	–	–	–	(111,211)	(188,501)	(299,712)
Profit for the financial year									3,189,329
Segment assets	3,588,031	2,201,672	761,999	1,423,617	4,564,860	4,895,928	23,960,693	1,178,225	42,575,025
Segment liabilities	182,613	178,820	160,423	93,246	292,541	108,695	9,280,170	8,361,536	18,658,044
Other segment items									
Depreciation and amortisation	(248)	(66)	(24)	(6,159)	(7,644)	(218)	(1,014)	(5,991)	(21,364)

	Singapore $'000	South East Asia (excluding Singapore) $'000	China (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	The United States $'000	Australia $'000	Rest of the World $'000	Total $'000
2018										
Geography information										
Revenue	1,135,133	166,278	225,828	341,196	89,158	212,582	813,946	101,804	108,476	3,194,401
Non-current assets	15,873,472	1,750,135	4,188,024	8,095,432	1,677,473	2,290,554	3,924,514	1,474,666	446,508	39,720,778
Total assets	16,870,080	2,142,718	4,786,605	8,219,189	2,023,980	2,544,127	4,198,580	1,304,816	484,930	42,575,025

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 statement of comprehensive income.

The EMC assesses the performance of the operating segment based on a measure of earnings before interest and tax plus share of operating profits in associated companies and joint ventures. The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs. Excluding the Singapore-Listed REITs, borrowings, finance income and finance expenses are not allocated to segments but grouped under "others" (which includes corporate departments) as such liabilities and expenses are centrally monitored at the corporate level.

Corporate housing business

In the financial year ended 31 March 2017, the Group acquired a corporate housing and serviced apartment solutions provider, Oakwood Worldwide, as part of its long-term strategy for its corporate housing business with focus on the United States, Europe and Asia Pacific. The financial performance of the corporate housing business, included within the "Australia-New Zealand, North Asia and Oakwood" and "South East Asia" segment is summarised as below:

	Corporate housing	
	2019	2018
	$'000	$'000
Revenue	**755,210**	827,204
Other gains – net	**20,776**	10,720
Expenses	**(760,991)**	(817,705)
Impairment of intangible assets	**(33,898)**	(13,604)
Finance costs – net	**(2,048)**	(664)
(Loss)/profit before income tax	**(20,951)**	5,951
Income tax expense	**(1,108)**	(7,388)
Loss for the financial year	**(22,059)**	(1,437)

37. 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 31 March 2019 %	31 March 2018 %	1 April 2017 %
Held by the Company					
Mapletree Dextra Pte. Ltd.	Investment holding	Singapore	**100**	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	100
Held by subsidiaries					
Grafton ROA Trust	Property owner	Australia	**100**	100	100
Yarra Assets Trust	Property owner	Australia	**100**	100	–
Sunstone KB (HKSAR) Limited	Property owner	Hong Kong SAR	**100**	100	100
Faery Estates Private Limited [1]	Property owner	India	**100**	–	–
Godo Kaisha Makuhari Blue	Property owner	Japan	**100**	36	–
Hardman Investments Unit Trust	Property owner	Jersey/The United Kingdom	**100**	100	100
Great Cities Logistics (Europe) Trust	Investment holding	Singapore	**64**	100	–
Great Cities Logistics (US) Trust [1]	Investment holding	Singapore	**64**	–	–
HarbourFront Centre Pte. Ltd.	Property owner	Singapore	**100**	100	100
HarbourFront Two Pte Ltd	Property owner	Singapore	**100**	100	100
Mapletree Business City Pte. Ltd.	Property owner and development of properties for investment	Singapore	**100**	100	100
Oakwood Worldwide (Asia) Pte. Ltd.	Management services	Singapore	**100**	100	100
Green Park Reading No. 1 LLP	Property owner	The United Kingdom	**100**	100	100
Pine (UK) Holdings Ltd	Management services	The United Kingdom	**100**	100	100

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 31 March 2019 %	2018 %	1 April 2017 %
Oakwood Worldwide (US) LP	Management services	The United States	**100**	100	100
Anson Logistics Assets LLC [1]	Property owner	The United States	**64**	–	–
Boulevard City LLC	Property owner	The United States	**100**	100	100
Chester Loft LLC	Property owner	The United States	**100**	100	–
Dawson Logistics Assets LLC [1]	Property owner	The United States	**64**	–	–
Finlayson Logistics Assets LLC [1]	Property owner	The United States	**64**	–	–
Pearson Logistics Assets LP [1]	Property owner	The United States	**64**	–	–
Richardson Logistics Assets LLC [1]	Property owner	The United States	**64**	–	–
Thomson Logistics Assets LLC [1]	Property owner	The United States	**64**	–	–
South Sixth Office LLC	Property owner	The United States	**100**	100	–
Saigon Boulevard Complex Company Limited	Property owner	Vietnam	**100**	100	100
Mapletree Redwood Data Centre Trust	Property owner	Singapore/ The United States	**73**	73	–
Mapletree Logistic Trust [2] – Real Estate Investment Trust	Property owner	Singapore	**32**	36	40
Mapletree North Asia Commercial Trust (f.k.a. Mapletree Greater China Commercial Trust) [2] – Real Estate Investment Trust	Property owner	Singapore	**33**	36	34
Mapletree Commercial Trust [2] – Real Estate Investment Trust	Property owner	Singapore	**34**	34	38
Mapletree Industrial Trust [2] – Real Estate Investment Trust	Property owner	Singapore	**32**	33	34

37. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(b) Associated companies

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 31 March 2019 %	31 March 2018 %	1 April 2017 %
Held by subsidiaries (continued)					
Mapletree China Opportunity Fund II Feeder LP	Investment holding and property owner	Cayman Islands/ China	**36**	36	36
MJLD Pte Ltd	Investment holding and property owner	Singapore/ Japan	**38**	38	38
Mapletree India China Fund Ltd	Investment holding and property owner	Cayman Islands/ China/ India	**43**	43	43
MGSA Private Trust	Investment holding and property owner	Singapore/ The United States/ The United Kingdom	**33**	33	33

1 Incorporated/acquired during the financial year
2 Control of the REITs without majority equity interest and voting power (Note 17)

38. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The Group's subsidiaries with material non-controlling interests comprise the following:

	Group 31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
MLT	**2,907,198**	2,170,298	1,567,675
MCT	**3,038,573**	2,829,572	2,623,414
MIT	**2,078,372**	1,866,174	1,665,195
MNACT	**3,068,837**	2,497,533	2,358,828
Others	**902,971**	7,481	6,802
	11,995,951	9,371,058	8,221,914

The REITs are regulated by the Monetary Authority of Singapore and 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 transactions 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 intra-group eliminations.

Summarised statements of financial position

	MLT $'000	MCT $'000	MIT $'000	MNACT $'000
31 March 2019				
Assets				
– Current assets	170,715	54,198	75,338	194,329
– Non-current assets	7,907,621	7,046,567	4,531,726	7,626,037
Liabilities				
– Current liabilities	(251,802)	(130,958)	(180,110)	(413,205)
– Non-current liabilities	(3,159,346)	(2,353,828)	(1,379,428)	(2,817,006)
Net assets	**4,667,188**	**4,615,979**	**3,047,526**	**4,590,155**
Net assets attributable to non-controlling interests	**2,907,198**	**3,038,573**	**2,078,372**	**3,068,837**
31 March 2018				
Assets				
– Current assets	148,952	48,456	63,403	190,186
– Non-current assets	6,529,375	6,692,357	4,090,917	6,332,563
Liabilities				
– Current liabilities	(243,268)	(227,266)	(288,309)	(201,278)
– Non-current liabilities	(2,623,278)	(2,230,174)	(1,085,939)	(2,432,719)
Net assets	3,811,781	4,283,373	2,780,072	3,888,752
Net assets attributable to non-controlling interests	2,170,298	2,829,572	1,866,174	2,497,533
1 April 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

38. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statements of comprehensive income

	MLT $'000	MCT $'000	MIT $'000	MNACT $'000
2019				
Revenue	**454,263**	**443,893**	**376,101**	**408,687**
Profit before income tax	499,341	582,302	271,126	695,834
Income tax expense	(42,811)	–	–	(61,422)
Profit after income tax	456,530	582,302	271,126	634,412
Other comprehensive loss	(538)	(2,279)	(5,182)	(17,603)
Total comprehensive income	**455,992**	**580,023**	**265,944**	**616,809**
Total comprehensive income allocated to non-controlling interests	**302,670**	**382,221**	**181,464**	**410,564**
Dividends paid to non-controlling interests	**(169,396)**	**(173,220)**	**(174,191)**	**(187,451)**
2018				
Revenue	395,178	433,525	363,230	355,030
Profit before income tax	521,345	567,573	300,562	618,252
Income tax expense	(49,123)	–	(32)	(43,911)
Profit after income tax	472,222	567,573	300,530	574,341
Other comprehensive (loss)/income	(94,986)	4,222	3,775	(147,173)
Total comprehensive income	377,236	571,795	304,305	427,168
Total comprehensive income allocated to non-controlling interests	225,650	378,045	200,407	273,457
Dividends paid to non-controlling interests	(123,654)	(171,888)	(139,960)	(134,752)

Summarised statement of cash flows

	MLT $'000	MCT $'000	MIT $'000	MNACT $'000
2019				
Cash generated from operations	366,688	337,042	244,703	337,351
Income tax (paid)/refunded	(12,586)	–	245	(28,379)
Net cash generated from operating activities	354,102	337,042	244,948	308,972
Net cash used in investing activities	(1,168,569)	(21,471)	(369,652)	(736,530)
Net cash generated from/(used in) financing activities	817,878	(311,544)	127,295	426,365
Net increase/(decrease) in cash and cash equivalents	3,411	4,027	2,591	(1,193)
Cash and cash equivalents at beginning of financial year	101,217	45,092	37,419	177,981
Effects of currency translation on cash and cash equivalents	(1,314)	–	–	(1,620)
Cash and cash equivalents at end of financial year	**103,314**	**49,119**	**40,010**	**175,168**
2018				
Cash generated from operations	289,760	332,311	245,551	344,268
Income tax paid	(23,260)	–	–	(37,871)
Net cash generated from operating activities	266,500	332,311	245,551	306,397
Net cash used in investing activities	(511,419)	(18,191)	(274,181)	(4,681)
Net cash generated from/(used in) financing activities	255,100	(322,935)	28,064	(304,148)
Net increase/(decrease) in cash and cash equivalents	10,181	(8,815)	(566)	(2,432)
Cash and cash equivalents at beginning of financial year	92,558	53,907	37,985	180,420
Effect of currency translation on cash and cash equivalents	(1,522)	–	–	(7)
Cash and cash equivalents at end of financial year	101,217	45,092	37,419	177,981

39. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries which does not constitute a business combination

The cash flows and net assets of subsidiaries acquired are provided below:

	Group 2019 $'000	Group 2018 $'000
Cash and cash equivalents	**110,204**	488
Trade and other receivables	**200,209**	7,486
Other assets	**591,249**	1,148
Investment properties (Note 18)	**2,880,150**	1,137,808
Properties under development (Note 19)	**3,291**	4,975
Trade and other payables	**(241,191)**	(9,737)
Net deferred tax liabilities	**(15,759)**	–
Borrowings	**(1,520,056)**	(12,250)
Net assets acquired/Total purchase consideration	**2,008,097**	1,129,918
Less:		
Cash of subsidiaries acquired	**(110,204)**	(488)
Deposits paid in prior financial year	**(22,253)**	(106,550)
Cash outflow on acquisition	**1,875,640**	1,022,880

(b) Disposal of subsidiary

	Group 2019 $'000
Cash and cash equivalents	**8,977**
Trade and other receivables	**261**
Investment property (Note 18)	**36,639**
Trade and other payables	**(4,316)**
Borrowings	**(38,239)**
Net assets disposed	**3,322**
Gain on disposal (Note 5)	**21,425**
Release of foreign currency translation reserve	**44**
	24,791
Less:	
Cash of subsidiary disposed	**(8,977)**
Cash inflow on disposal	**15,814**

40. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and interpretations to existing standards that have been published and are relevant for the Group's financial year beginning on or after 1 April 2019 and which the Group has not early adopted:

(a) SFRS(I) 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position 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 rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

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 SFRS(I) 16.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is in the process of determining the extent to which its commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's total return and classification of cash flows. The Group will apply the standard from its mandatory adoption date of 1 April 2019.

(b) SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) How to determine the appropriate unit of account and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) That the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 April 2019.

41. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

As disclosed in Note 14, the Group entered into a conditional sales and purchase agreement on 11 December 2018 with a non-related party to divest its entire stake in a wholly-owned subsidiary, Autumn Sunstone Ltd., which indirectly owns a commercial property in Hong Kong SAR, at an agreed property value, subject to net asset adjustments on completion date.

Subsequent to the end of the financial year, all conditions of the sales and purchase agreement were fulfilled and accordingly, the sales transaction was completed on 16 May 2019.

42. 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 16 May 2019.

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