STRENGTH TO STRENGTH

MAPLETREE INVESTMENTS PTE LTD

ANNUAL REPORT 2017/2018

STRENGTH TO STRENGTH

BUILDING ON A STRONG PERFORMANCE

Since unveiling our second Five-Year Plan in FY14/15, Mapletree has delivered strong and consistent operational and financial performance. Through the Group's robust business model, discipline in its operations and investment approach, we achieved a revenue of S$3,194.4 million and attained another record PATMI of S$1,958.6 million in FY17/18.

Revenue **S$3,194.4 MILLION**

PATMI **S$1,958.6 MILLION**

Total AUM **S$46.3 BILLION**

Total GFA (square metres) **~17 MILLION**

Expansive portfolios across **12 ECONOMIES**

Total amount committed to communities (since FY10/11) **S$19.2 MILLION**

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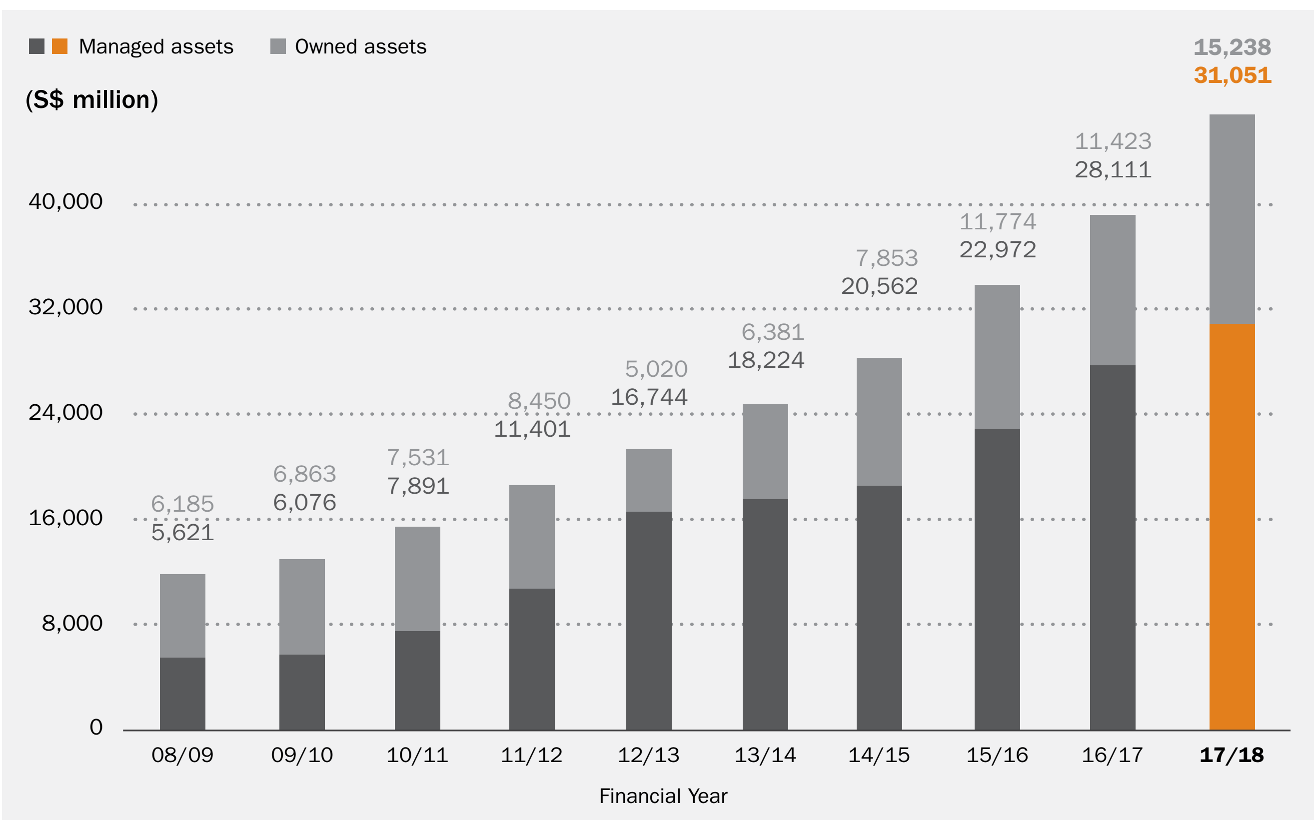
PERFORMANCE HIGHLIGHTS

The financial year ended 31 March 2018 (FY17/18) saw Mapletree laying the foundation for its next phase of growth with further acquisitions in the United States, Europe, Australia and Japan. The Group achieved another record profitability, underpinned by strong recurring earnings from operations as well as contributions from current year acquisitions. In addition, profits were driven by strong performance of Mapletree's four REITs. Overall, revenue rose to S$3,194.4 million, with profit after tax and minority interests (PATMI)[1] hitting a high of S$1,958.6 million, a 39% increase from S$1,413.7 million a year ago.

Total Assets Under Management (AUM)
(FY17/18)

S$46.3 BILLION

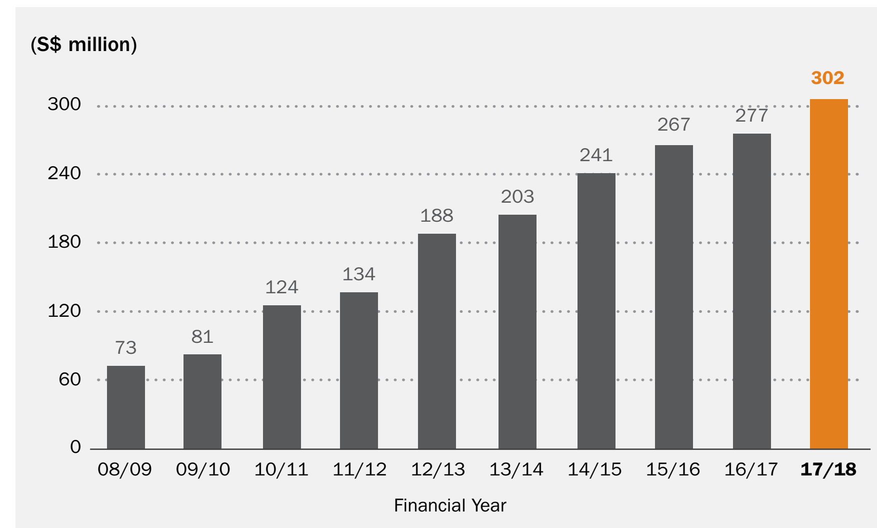
AUM



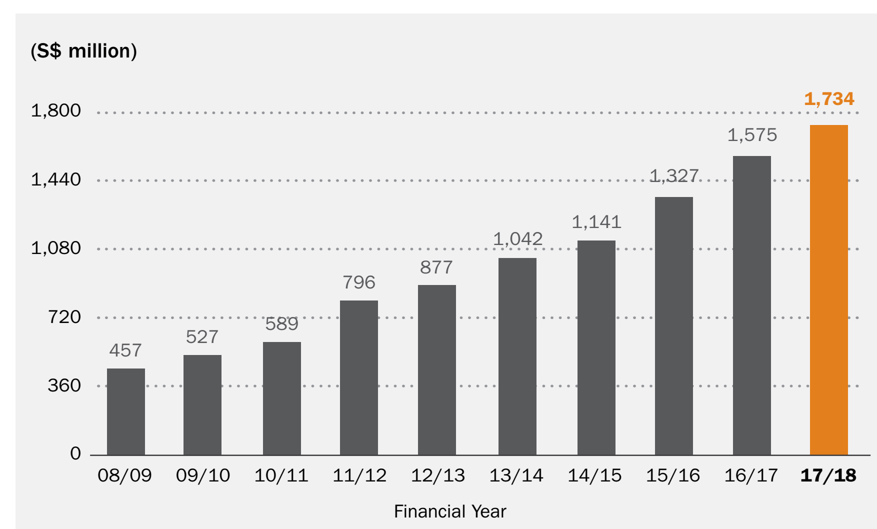
PATMI[1]
(FY17/18)

S$1,958.6 MILLION

FEE INCOME[2]



EBIT + SOA[3]



Average Five-Year ROIE[4]
(From FY13/14 - FY17/18)

10.2%

Average 10-Year ROIE[4]
(From FY08/09 - FY17/18)

12.2%

Five-Year NAV CAGR[5]
(From FY13/14 - FY17/18)

12.4%

10-Year NAV CAGR[6]
(From FY08/09 - FY17/18)

11.9%

1 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
2 Including REIT management fees.
3 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
4 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.
5 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as at 31 March 2013 as starting base.
6 NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as at 31 March 2008 as starting base.

Mapletree Business City
Mixed-Use Development, Singapore

BRICK BY BRICK

INTEGRATED REAL ESTATE CAPABILITIES

Mapletree's business model creates value through our core capabilities in real estate development, investment, capital and property management. In FY17/18, we strengthened our global presence in the United States, Europe, Australia, Japan, Hong Kong SAR and China markets mainly in the corporate housing/serviced apartment, data centre, logistics, office and student accommodation sectors.

REAL ESTATE SKILLS

Developer
Create value

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

Investor
Capitalise on opportunities

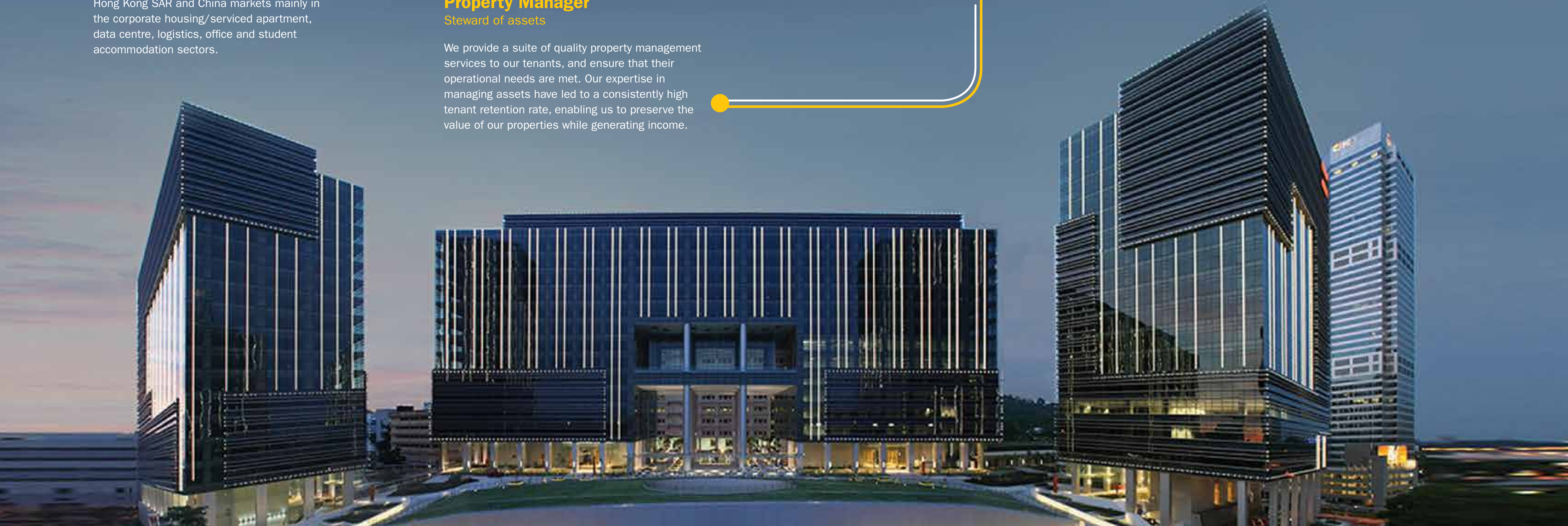
We pursue, seize and underwrite new business opportunities across the entire real estate value chain. We incorporate our development and capital management capabilities to achieve consistent growth through value-added and disciplined investments.

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. To achieve an optimal capital structure, we continually syndicate new funds and grow third-party assets under management as part of our business model.

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. Our expertise in managing assets have led to a consistently high tenant retention rate, enabling us to preserve the value of our properties while generating income.



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 strong and stable returns to our investors.

Mapletree's business objective is to deliver consistent and high returns across real estate asset classes to investors. Since 2014, 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 the United States (US), Europe and Australia.

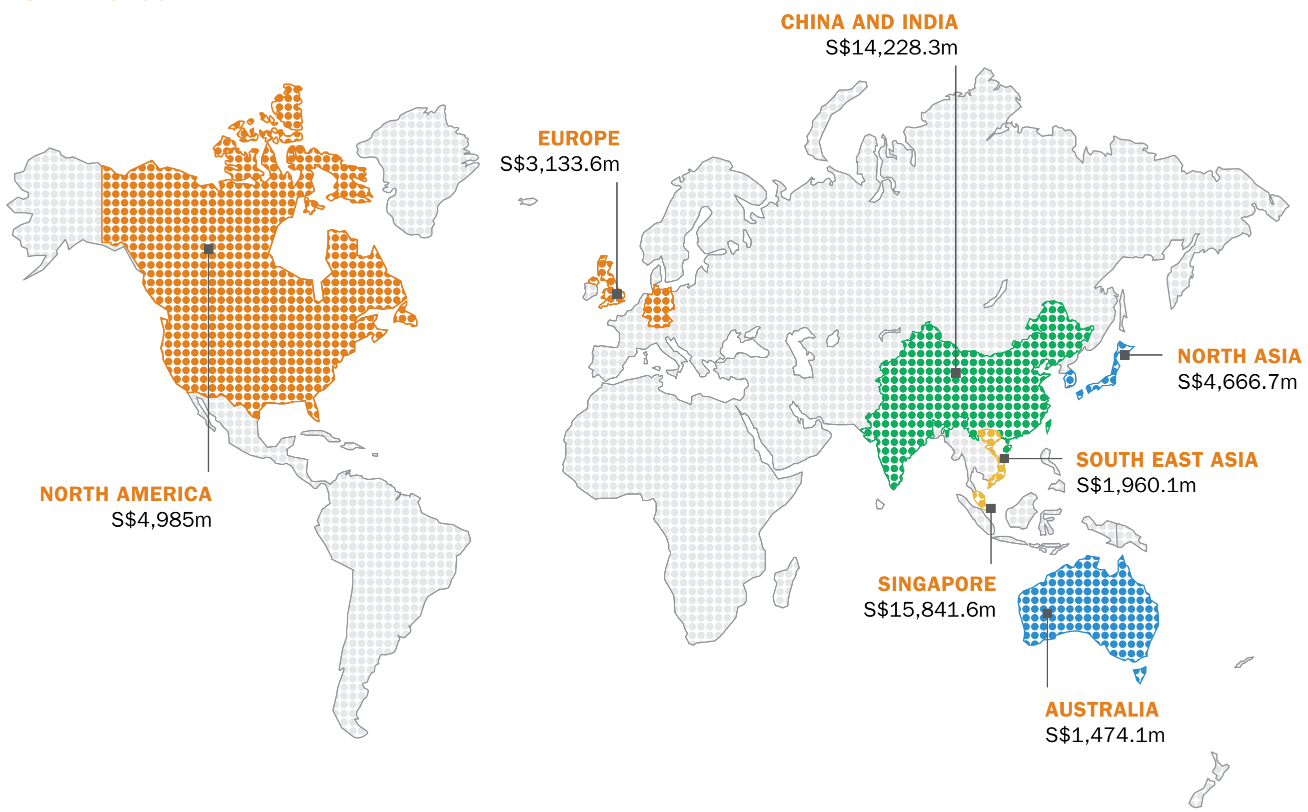
During FY17/18, the Group continued to broaden its presence by successfully making acquisitions of data centre, multi-family, office and student accommodation assets in Australia, Canada, Japan, the United Kingdom (UK) and the US as well as expanding our logistics development portfolio in China.

As at 31 March 2018, the Group has S$46.3 billion of assets under management (AUM). Over S$31 billion, or about 67% of our AUM are held under four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds. We strive to maintain optimal capital structure that provides us with financial flexibility to pursue new investment opportunities.

Mapletree's properties span across 12 economies, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. Mapletree owns and manages a diversified portfolio of office, retail, logistics, industrial, residential, corporate housing/serviced apartment and student accommodation assets.

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

AUM BY GEOGRAPHY[1]



OUR GROWTH PLATFORMS

Logistics

Developer/investor/manager of logistics properties

Capital Management Platform

Singapore-listed REIT:
- Mapletree Logistics Trust

Industrial

Developer/investor/manager of industrial properties

Capital Management Platform

Singapore-listed REIT:
- Mapletree Industrial Trust

Singapore Commercial

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

Capital Management Platform

Singapore-listed REIT:
- Mapletree Commercial Trust

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

Europe and USA

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

Capital Management Platform

Private real estate fund:
- Mapletree Global Student Accommodation Private Trust

Australia-New Zealand, North Asia and Oakwood

Developer/investor/manager of properties in Australia, Greater China, Japan and Oakwood

Capital Management Platform

Singapore-listed REIT:
- Mapletree Greater China Commercial Trust[2]

Private real estate funds:
- MJOF
- MJLD

South East Asia

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

Capital Management Platform

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

1 Geography covers regions in accordance with Mapletree's growth platforms.

2 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

MESSAGE FROM THE CHAIRMAN

Mr Edmund Cheng

Growing from strength to strength, I am pleased to announce that we are on-track to deliver the targets set for our second Five-Year Plan by FY18/19.

GROWING FROM STRENGTH TO STRENGTH

Financial year 2017/2018 (FY17/18) has been yet another exciting and eventful year for Mapletree. Buoyed by an improving global market outlook, Mapletree leveraged on our core capabilities in real estate development, investment, capital and property management, and, brick-by-brick, we successfully accelerated our expansion globally.

More importantly, since unveiling our second Five-Year Plan in FY14/15, Mapletree has delivered strong and consistent operational and financial performance. In FY17/18, the Group achieved strong growth with total revenue of S$3,194.4 million and recorded a profit after tax and minority interests (PATMI)[1] of S$1,958.6 million. The four-year average return on invested equity (ROIE)[2] was 11.1% in FY17/18 and net asset value compounded annual growth rate (NAV CAGR)[3] since 1 April 2014 was 12.6%. These results are a testament to the Group's robust business model and discipline in its operations and execution to achieve strong returns.

Underpinning the Group's deeper expansion into the United States (US), Europe, Australia, Japan, Hong Kong SAR and China. Mapletree's total owned and managed Assets under Management (AUM) grew by 17% to S$46.3 billion from S$39.5 billion in FY16/17.

Growing from strength to strength, I am pleased to announce that we are on-track to deliver the targets set for our second Five-Year Plan by FY18/19.

EXPANDING FURTHER AND FURTHER

During FY17/18, we made several significant transactions, which further strengthened our position in the real estate sector in Asia and globally. One of which is the acquisition of a portfolio of eight quality student accommodation assets in the US and Canada. Well-located near universities, these assets have state-of-the-art on-site facilities and have strong occupancy above 90%. Subsequently, in July 2017, Mapletree acquired The Maltings at Colchester, a 779-bed student accommodation asset in the United Kingdom (UK). The Group continued to adopt a disciplined approach in underwriting and later added evo at Cira Centre South in Philadelphia, Pennsylvania, an upscale, high-rise, 850-bed asset to its portfolio. In all, Mapletree currently owns 45 student accommodation assets with 19,653 beds strategically located in 34 cities in the US, Canada and the UK, including those that are held by its sponsored Mapletree Global Student Accommodation Private Trust.

To enhance our presence in the US, the Group expanded into the data centre and office sectors. Capitalising on the rising demand for data storage space, we marked our foray into the US data centre sector in December 2017.

As one of the largest transactions by a Singaporean firm in the US market, the Group and Mapletree Industrial Trust acquired a portfolio of 14 data centres in the US through a joint venture agreement at a purchase consideration of approximately US$750 million (~S$1,020 million).

In December 2017, Mapletree acquired its first office property in Minneapolis, Minnesota – 50 South Sixth. Known as one of the tallest buildings in Minneapolis, it offers panoramic views of the city and is home to numerous well-known, international firms.

The Group also expanded its portfolio in Australia with the acquisition of 417 St Kilda Road in Melbourne, and the purchase of 11 Waymouth Street in Adelaide.

WaHu, an 825-bed student accommodation located in Minneapolis, US, was one of the eight quality student accommodation portfolio acquisition in the US and Canada

May 2017 saw Mapletree further deepen its presence in the China commercial real estate sector with the opening of its flagship brand "VivoCity" in Shanghai. VivoCity Shanghai is almost fully committed at 95% and has garnered the Best Sky Park Award since its opening.

Since the Group acquired Oakwood Worldwide (Oakwood) in February 2017, we have made further strides towards being the market leader in the corporate housing/serviced apartment sector. Within the financial year, the Group developed and launched Oakwood Olympic & Olive in Los Angeles, US, Oakwood Apartments Azabudai, Tokyo in Japan, as well as Oakwood Residence Saigon in Ho Chi Minh City, Vietnam, offering travellers and long-term occupants greater options within the respective cities.

MESSAGE FROM THE CHAIRMAN

WORKING HAND IN HAND WITH OUR EMPLOYEES AND COMMUNITIES

Supporting our Communities

Mapletree recognises the importance of supporting the communities in which we operate in. Since the inception of our Corporate Social Responsibility (CSR) framework in 2011, Mapletree has aligned our business performance with CSR efforts. In FY17/18, Mapletree introduced a new funding mechanism where for every S$500 million in PATMI[1], or part thereof, S$1 million will be allocated annually, to fund CSR commitments and programmes.

Mapletree remains committed to achieving the two broad objectives of empowering individuals by supporting educational and healthcare initiatives, as well as enriching communities through the practice of environmental sustainability and the arts.

A strong supporter of education causes, Mapletree has contributed S$3 million to the endowment programmes of all six local universities to establish the Mapletree Bursary, which offers financial support to more than 110 students to date. As an encouragement for our Bursary recipients who have done well academically, 12 book prizes were also awarded in FY17/18.

We have also expanded our support for practice-oriented education such as that offered by polytechnics and technical institutions under the Mapletree Academic Achievement Programme which was launched in 2015. In FY17/18, we increased our support with the sponsorship of book prizes and academic awards for students who have achieved academic excellence in two additional Diploma Programmes under Ngee Ann Polytechnic and Singapore Polytechnic.

More importantly, to groom a new generation of practitioners who will meet the demands of the growing real estate sector in Singapore and globally, we also launched the multi-faceted Mapletree Real Estate Programme at the Singapore Management University (SMU) in January 2018. The S$3 million gift from Mapletree to SMU was coupled with a 1:1 government matching and the total sum of S$6 million will go towards the establishment of a specialised Real Estate Track, the Mapletree Professorship in Real Estate, Mapletree Awards, Mapletree Real Estate Business Study Trip Grant, as well as Mapletree Speaker Events.

Recipients of the Mapletree Bursary from National University of Singapore after a tea session with Chairman, Mr Edmund Cheng and Group Chief Executive Officer, Mr Hiew Yoon Khong

To date, Mapletree has contributed more than S$680,000 to support the education, sports and arts programmes of local Voluntary Welfare Organisations (VWOs), especially with a focus on assisting youths from challenging financial backgrounds. In line with this, after piloting the Mapletree Youth Resilience Programme (MYRP) in 2016, the support was expanded from 5 to 11 youths from three local VWOs in January 2018, which provides long-term financial aid to youths at risk with the potential and drive to pursue an education despite their disadvantaged backgrounds.

By relieving the youths and their families from concerns over financial burden, they were able to focus on their studies better. We are heartened to see that the recipients have shown improvement in academic performance and built more positive relationships with others. Going forward, Mapletree will continue to support at-risk youths in Singapore, as part of our CSR efforts.

In November 2017, to kick-start the school holidays for Mapletree's youth beneficiaries, we organised the Mapletree Youth Futsal Camp for 21 youths aged between 13 and 18 years old at Mapletree Business City's (MBC) futsal courts. Children of our employees and tenants working at MBC also participated in the event where they learnt basic futsal techniques and rules of the game from experienced coaches. To continue our fund raising for youth programmes, teams from Mapletree, MBC I and II tenants, as well as youth teams from Boys' Town and Beyond Social Services sportingly pitted their skills in the annual Mapletree Futsal Challenge held in March 2018.

As a firm supporter of the arts, Mapletree became a corporate sponsor of The TENG Ensemble (TENG), a local arts company that focuses on performance, education and research in Singaporean Chinese instrumental music in March 2018. With Mapletree's funding, The TENG Ensemble showcased a medley of songs at the VivoCity Amphitheatre in February 2018, captivating an audience of about 600 with classic oldies and Chinese New Year melodies. The sponsorship also supported young talented individuals in their musical education under the Mapletree-TENG Academy Scholarship. The scholarship was awarded to four students aged 12 to 20, who will be under the tutelage of established music educators and practitioners from The TENG Academy for a two-year period (2018-2020).

To date, Mapletree has contributed more than S$680,000 to support the education, sport and arts programmes of local VWOs, especially with a focus on assisting youths from challenging financial backgrounds.

Empowering our Employees

As we expand beyond Asia, we have also broadened the reach and impact of Mapletree's CSR programmes by funding staff-initiated CSR activities in key countries where Mapletree has a business presence. In FY17/18, seven staff-led CSR projects across five countries (China, Vietnam, Singapore, Japan and the UK) were awarded seed funding of up to S$5,000 each. It is encouraging to see that the volunteering spirit is prevalent in Mapletree, and we look forward to rallying more staff to participate in FY18/19.

Since 2017, Mapletree has also launched the Mapletree Education Award which recognises the academic achievements of its Singapore-based employees' children. These cash awards which range from S$150 to S$500 are presented twice a year, with 66 awards presented in FY17/18.

PRESSING AHEAD WITH SUSTAINABILITY EFFORTS

Since our inaugural Sustainability Report last year, the Group has taken further steps to ensure that we strike a balance between our business operations as well as contribution towards the society and environment.

We benchmarked ourselves against international standards and ensured that our activities are compliant with the Global Reporting Initiative.

By making sustainability a core focus of our business and as part of Mapletree's long term strategy, we are well poised to achieve continuous growth while maintaining profitability and stakeholders' returns.

The TENG Ensemble, of which Mapletree is a corporate sponsor, showcased a medley of songs during the Chinese New Year celebrations at VivoCity Amphitheatre

ACKNOWLEDGEMENTS

Milestone to milestone, the Mapletree we see today is markedly different from how it was a decade before. On behalf of the Board of Directors, I would like to express my appreciation to Group Chief Executive Officer, Mr Hiew Yoon Khong, the management team as well as all employees for their unwavering dedication and commitment to helping the Group attain new heights year after year.

I would also like to thank my fellow Board Members as well as the respective Boards of our REITs management companies, for your invaluable advice and guidance to the Mapletree team over the years.

In the year ahead, as we round up our second Five-Year Plan, I look forward to working alongside the Mapletree team in growing the company further.

Edmund Cheng
Chairman

1 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holdings 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.

INTERVIEW WITH THE GROUP CEO

Mr Hiew Yoon Khong

1. Mapletree achieved yet another record profit of S$1,958.6 million in this financial year. Can you tell us how the Group achieved it?

Our successfully completed development projects such as Mapletree Business City II, Mapletree Logistics Hub Tsing Yi (MLHTY) and Mapletree Bay Point have contributed significantly to our net income. In addition, we have also successfully invested in the United States (US) and European markets which have contributed to yet another record profit after tax and minority interests (PATMI)[1] of S$1,958.6 million in Financial Year 17/18 (FY17/18). The highest since Mapletree's establishment in 2000, this was a 39% increase compared to the S$1,413.7 million attained in FY16/17. Of FY17/18's PATMI[1], S$684.7 million or 35% was contributed by recurring PATMI[1], attesting to the strength and resilience of Mapletree's business model which has served us well all these years.

The Group's focus on delivering consistent and sustainable returns on investments allowed us to achieve a return on equity (ROE)[2] of 15.7%, higher than the 12.8% recorded in FY16/17. Average return on invested equity (ROIE)[3] for the past four years is 11.1%, which is within our target of 10%-15% for the second Five-Year Plan which we embarked on in FY14/15.

To achieve a sustained level of ROIE[3], the Group embarked on continuous capital recycling to improve its returns and strengthen its recurring income. This was achieved through the monetisation of assets and the redeployment of funds into markets and sectors where we see growth potential. In FY16/17, we raised equity of US$535 million (~S$701.9 million) through the Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) which provided the capital to grow our student accommodation portfolio and our presence in the respective markets.

In October 2017, Mapletree completed the divestment of its first logistics property developed in Hong Kong SAR – MLHTY for HK$4.8 billion (~S$834.8 million) to Mapletree Logistics Trust. In December 2017, the Group also co-invested with Mapletree Industrial Trust (MIT) in a portfolio of 14 data centres in the US.

Most recently, MJOF, one of Mapletree's six private real estate funds, divested six freehold office assets to Mapletree Greater China Commercial Trust (MGCCT)[4] for JPY63,304 million (~S$779 million). The divestment to MGCCT[4] marks a key milestone for the fund towards delivering returns exceeding its original target to the investors.

In FY17/18, we have monetised almost S$1.1 billion worth of assets. The success of Mapletree's strategy in capital recycling is shown in our ROE[2], which is one of the highest amongst local real estate developers. We will continue this disciplined strategy in the recycling of our assets and redeploying capital to seek higher returns.

2. Mapletree is known to track its business performance according to five-year plans. Could you share with us the key highlights of FY17/18 which helped to achieve the targets set for the Group's second Five-Year Plan?

Mapletree's overall business objective is clear – we aim to deliver stable, consistent and high returns to our shareholders and investors on an ongoing basis. This is the overarching principle which has guided our investment and operating decisions since day one. Essentially, the strategy is to manage capital competently by being efficient in the deployment of funds.

Since we embarked on our first Five-Year Plan in FY09/10, we have nearly quadrupled our assets under management (AUM) from S$12.9 billion of assets to S$46.3 billion with a presence in 12 economies worldwide. The creditable figures are results of the Group's deeper penetration into markets and real estate sectors beyond Asia. We have set our sights on the US, the United Kingdom (UK), Europe as well as Australia, and ventured further into sectors such as student accommodation and data centres. Our strategy to invest in these markets has proved fruitful, contributing a total of S$9.6 billion or 21% to our overall AUM.

Some of the key highlights in these markets were:

i. Student Accommodation
Apart from the US student accommodation assets owned by MGSA P-Trust, in May 2017, we acquired a portfolio of eight student housing assets with 3,611 beds in the US and 140 beds in Canada, as well as four multi-family assets with 1,388 units in the US. The addition was a second acquisition[5] from the earlier transaction which was completed in 2016. The eight student housing assets are well located within the immediate vicinity of Tier 1 universities, and currently have strong occupancy above 90%. This was followed by other purchases such as The Maltings, which is a 779-bed student accommodation asset located in Colchester, UK, in July 2017 and evo at Cira Centre South in Philadelphia, Pennsylvania, US, in January 2018.

ii. Data Centres
In December 2017, the Group made its maiden acquisition of a portfolio of 14 data centres in the US via a 60:40 joint venture agreement with MIT for a purchase consideration of approximately US$750 million (~S$1,020 million).

iii. Commercial
Mapletree acquired its first US office property with retail space – 50 South Sixth, which is located in the central business district of Minneapolis, Minnesota in December 2017. The Group further expanded its footprint in Australia with the acquisition of two Grade A office buildings in Melbourne and Adelaide – which are our first properties in both cities, in June 2017 and March 2018 respectively.

iv. Logistics
Post FY17/18, the Group acquired a portfolio of over 150 logistics assets in more than 20 US states in April 2018.

Key Performance Indicators (KPIs)	FY17/18	Target by FY18/19
Returns		
Five-year NAV CAGR[6] (from FY13/14)	12.4%	10% – 15%
Average five-year ROIE[3] (from FY13/14)	10.2%	10% – 15%
Earnings		
EBIT + SOA[7]	S$1,579.4 million	S$1.6 billion – S$2.3 billion
Fee Income[8]	S$302.1 million	S$350 million – S$500 million (Five-year cumulative: >S$1.5 billion)
Scale		
Assets Under Management (AUM)	S$46.3 billion	S$40 billion – S$50 billion
AUM ratio (managed vs owned assets)	2:1	>3:1

INTERVIEW WITH THE GROUP CEO

3. Moving forward, what are some of the Group's plans in these new markets?

Mapletree is optimistic about future investments in the US – supported by fairly strong economic growth, we remain committed to scaling up all sectors including student accommodation, data centre and logistics portfolios. In view of the growing university enrolment rates, and hence, an increasing demand for student housing, Mapletree will continue to build up its portfolio in this defensive and resilient asset class. Likewise, data centres continue to enjoy robust growth as the pace of digitalisation increases. Concurrently, taking into consideration the rapid growth of e-commerce and rising domestic consumption, we will also review opportunities to acquire and/or develop modern and high-quality logistics assets that are within close proximity to key transportation nodes and city centres.

In Europe, following the successful acquisition of Green Park, a 79-hectare business park in Reading, the UK, in 2016, and student accommodation portfolio, the Group will continue to build up our presence in these two sectors as well as explore other asset classes. To diversify our income base, the Group will also look into acquiring logistics assets in the UK. Similarly, in Europe, we will continue to assess opportunities within the logistics and business parks space. With the addition of two office properties in Australia in FY17/18, the Group now owns eight quality office assets in its portfolio. The strong demand-supply fundamentals, coupled with the stable Australian economy and financial sector, makes Australia a viable market, and Mapletree will continue to strengthen its commercial presence there.

4. Evidently, the Group has expanded greatly in these new markets. What about Asia?

While the Group has taken steps to venture beyond Asia to diversify our earnings and reap good returns for our investors, this region is still, and will remain our core market. China and Hong Kong SAR combined, with a total AUM of S$14 billion, was the second largest contributor to Mapletree's AUM after Singapore. Some of our key achievements in FY17/18 include the launch of Mapletree's flagship brand "VivoCity" in Shanghai in May 2017, the completion of eight new logistics assets in China with a total gross floor area of approximately 664,000 sqm with more than half securing close to 100% occupancy, as well as a steady pipeline of logistics land for development. The Group also completed our first office development in Hong Kong SAR – Mapletree Bay Point, near Kwun Tong, in end-March 2018 and leasing is progressing very well.

The Group completed its first office development in Hong Kong SAR, Mapletree Bay Point, located near Kwun Tong in March 2018

In Vietnam, Mapletree rebranded Kumho Asiana Plaza in Ho Chi Minh City (HCMC) to mPlaza Saigon in August 2017, as part of the Group's plan to rejuvenate the property since our acquisition in 2016. Thereafter, Mapletree completed Oakwood Residence Saigon, a 237-unit serviced apartment, and RichLane Residences, a residential tower with 243 units in the affluent District 7 of HCMC in November 2017.

Back home, we embarked on several asset enhancement initiatives (AEIs) at HarbourFront Towers One and Two to improve the overall experience for tenants and visitors. At 18 Tai Seng, works to the underground link were completed, enhancing the connectivity to Tai Seng MRT train station. At VivoCity, AEIs were done to improve the shopping experience and to convert existing areas into higher-yield space.

5. Could you share your views and plans for the company moving forward in Asia?

Mapletree holds a long-term view of our investments in China and it will continue to be one of our core markets. However, with the moderating China economy, coupled with the ongoing structural reforms and government efforts to deleverage the financial sector, we are cognizant of the need to be even more selective in our investment decisions.

Looking ahead, rather than venturing into new asset classes, we will focus our efforts on building up our existing expertise in the areas of logistics, office as well as residential properties.

In China, as a country with the world's largest population, the sizeable domestic consumption has fuelled the growth of the online retail sector and driven demand for more logistics facilities. In addition, the development of new transportation networks, coupled with the limited supply of high-quality and modern logistics facilities have also resulted in rental stability. In view of these trends, Mapletree has further ramped up the development of several logistics properties across Tier 1 and 2 cities as well as fast-growing Tier 3 cities with growing middle-class demographics and excellent connectivity. Likewise in Hong Kong SAR, while we are keen to grow our presence in the logistics market, we will continue to evaluate the feasibility of doing so, in view of the high land prices.

The overall leasing demand for offices in China remained strong. In part, this is the result of the opening up of new business districts, as well as the recent trend of an influx of co-working operators entering the Chinese markets and occupying more Grade A buildings. As part of our China strategy, Mapletree will continue to increase its exposure in the office market in Tier 1 cities such as Shanghai, Beijing and Guangzhou. In terms of residential developments, while price controls and tightened mortgage restrictions are still widely in place, the burgeoning middle class as well as improvements in transportation and amenities will increase the demand for residential properties in Tier 2 and 3 cities.

Mapletree has identified Vietnam as another key growth market with good long-term potential. Supported by rapid urbanisation and improving macroeconomic stability, it is one of the fastest-growing economies within South East Asia. Our current projects such as Mapletree Business Centre, a Grade A office tower in HCMC, has secured a committed occupancy of over 95% since it opened in March 2017. Moving forward, the Group will continue to expand our presence in the office and residential sectors.

Last but not least, in Singapore, despite limited land availability for developments, Mapletree remains positive on the Singapore market and will look to grow its portfolio and ensure a steady recurring income stream.

6. Aside to growing the assets under management, could you share how Mapletree's capital management platforms have contributed to Mapletree's business growth?

The Group has built a strong reputation as an industry leader in the Singapore real estate investment trust (REIT) market and private fund management business with origination, structuring and fundraising capabilities. Mapletree's public-listed REITs and fund management business expands and diversifies its income sources. As at 31 March 2018, Mapletree manages four Singapore-listed REITs and six private funds with a combined AUM of over S$31 billion. In tandem with this, the Group's fee income[8] increased by 9% since FY16/17 to S$302.1 million.

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.

To continue expanding and recycling our assets, the Group will be launching new fund platforms in Australia and for our current portfolio of logistics assets in the US and Europe. We also aim to grow our presence in India and Indonesia, two of the world's largest economies, in the area of logistics.

In line with our aspirations to grow the student accommodation sector, following the success of MGSA P-Trust in FY16/17, the Group will look into the possibility of launching Mapletree Global Student Accommodation Trust II.

7. What is Mapletree's plan in the last mile of its second Five-Year Plan?

With just one more financial year to go before we round up our second Five-Year Plan, I am pleased to say that Mapletree has grown from strength to strength and we are on-track to deliver on the targets we have set. In the next phase of our growth, it is no longer business as usual. To continue thriving in this increasingly volatile and competitive landscape with shorter property cycles, Mapletree will need to refine its business model and set new targets to ensure that we are ready to face the headwinds and challenges that come our way. This includes a greater focus on our capital recycling and management business to generate higher returns. While our AUM achieved for FY17/18 is within the target range of S$40 billion to S$50 billion, I am confident that the Group has the potential to exceed these targets by the end of our second Five-Year Plan in FY18/19, by remaining focused on our strategy and being disciplined in our approach of underwriting. More importantly, in terms of returns, both our five-year average ROE[2] and ROIE[3] have stayed on target.

As we work towards the end of our second Five-Year Plan this year, the management team will develop a third Five-Year Plan, to guide our business over the next few years. Broadly, we are aspiring to position the Group to be one of the top five real estate companies in Asia in terms of our profitability as well as consistency in returns.

As Mapletree continues to grow, we recognise that a strong organisational core becomes even more crucial in ensuring our continued success. Hence, the Group will place greater emphasis in nurturing and strengthening our management bench as well as ensuring that we recruit the right talent to position the Group to take on the challenges ahead and propel our business forward successfully.

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 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 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.
5 Mapletree made its maiden acquisition of student accommodation in the US in November 2016.
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 2013 as starting base.
7 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), measures recurring earnings and cash flow, and includes earnings of REITs.
8 Including REIT management fees.

The Cottages of Boone
Student Accommodation, North Carolina, US

MILESTONE TO MILESTONE

ON-TRACK TO DELIVER OUR SECOND FIVE-YEAR PLAN

During the year, Mapletree focused on delivering consistent and sustainable returns to our stakeholders. We are on-track to meet our key performance targets in our second Five-Year Plan with NAV CAGR since 1 April 2014 at 12.6%, and our four-year average ROIE at 11.1%. The Group's business units recorded a higher EBIT + SOA of S$1,734 million contributed from new acquisitions and newly completed developments projects mainly in the United States (US), Europe, Australia and Japan as well as a higher fee income of S$302.1 million driven by Mapletree's four REITs as compared to FY16/17.

YEAR 1 (FY14/15)

Beyond Asia, Mapletree ventured into the US and Australia markets. The Group inked a strategic partnership agreement with Oakwood Worldwide (Oakwood) and acquired our first office building in Australia.

YEAR 2 (FY15/16)

Mapletree diversified its property portfolio to include student accommodation in the United Kingdom, a new asset class which contributed to a stable recurring income base.

YEAR 3 (FY16/17)

Mapletree strengthened its corporate housing/serviced apartment business with the complete acquisition of Oakwood. MGSA P-Trust[1] successfully closed at US$535 million, the first trust in Singapore to focus on student accommodation assets.

YEAR 4 (FY17/18)

MGCCT[2] broadened its investment mandate to diversify its income-producing real estate portfolio in Japan while MIT[3] expanded its investment in the Hi-Tech Buildings segment through the acquisition of data centres worldwide.

YEAR 5 (FY18/19)

Mapletree remains on-track to propel greater growth and to deliver our second Five-Year Plan's objectives.

1 MGSA P-Trust refers to Mapletree Global Student Accommodation Private Trust.
2 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT).
3 MIT refers to Mapletree Industrial Trust.

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):
Hiew Yoon Khong
Edmund Cheng

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

BOARD OF DIRECTORS

Edmund Cheng, 65
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, Deputy Chairman of Civil Aviation Authority of Singapore, as well as the Chairman of the Singapore Art Museum. He was previously an Executive Director of Wing Tai Malaysia Berhad (a company listed on Bursa Malaysia).

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

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

Lee Chong Kwee, 61
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, 70
Director

Mr Paul Ma Kah Woh is a member of the MIPL Board and a member of its Audit and Risk Committee, Executive Resource and Compensation Committee and Investment Committee. He is also the Non-Executive Chairman of Mapletree Greater China Commercial Trust Management Ltd[1], the manager of Mapletree Greater China Commercial Trust.

Mr Ma is also 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, 71
Director

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

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

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

Wong Meng Meng, 69
Director

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

Mr Wong is the Founder-Consultant of WongPartnership LLP, a leading law firm in Singapore. He is a member of the Competition Appeal Board, Singapore and a member of the Advisory Committee of the Faculty of Law, National University of Singapore as well as a member of the Advisory Committee of the School of Humanities & Social Sciences, Temasek Polytechnic. He was formerly the President of the Law Society of Singapore from 2010 to 2012.

David Christopher Ryan, 48
Director

Mr David Christopher Ryan is a member of the MIPL Board and a member of its Investment Committee since April 2014. Mr Ryan also serves as Chairman of Mapletree Oakwood Holdings Pte Ltd and on the Board of Directors for the Jackson Institute for Global Affairs at Yale University. Mr Ryan is also a Non-Executive Director of ADT Security Services Corporation.

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

Samuel N. Tsien, 63
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 as Asia Commercial and Consumer Banking Group Executive of Bank of America Corporation.

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

Elaine Teo, 51
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 Group and Managing Director of Capital International Inc., Asia. Ms Teo was also a Senior Advisor and Partner at the Holdingham Group Ltd.

Ms Teo also serves on the board of Caregivers Alliance Ltd, a non-profit organisation focused on training and support of caregivers to persons with mental illness in Singapore. In addition, she is the Chairman of The TENG Ensemble Ltd and 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, 66
Director

Mr Cheah Kim Teck is a member of the MIPL Board and was formerly an Independent Director and a member of the Audit and Risk Committee of Mapletree Logistics Trust Management Ltd.

Mr Cheah is currently the Managing Director, Business Development of Jardine Cycle & Carriage Limited (JC&C), and is responsible for overseeing JC&C's investment in Truong Hai Auto Corporation and developing new lines of business in the region. Mr Cheah is also a Director of Singapore Pools (Private) Limited.

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

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

Hiew Yoon Khong, 56
Director and Group Chief Executive Officer

Mr Hiew Yoon Khong is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd, and Mapletree Greater China Commercial Trust Management Ltd[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 of more than S$46 billion.

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

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

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

GROUP SENIOR MANAGEMENT

Hiew Yoon Khong, 56
Director and Group Chief Executive Officer

Mr Hiew is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd, and Mapletree Greater China Commercial Trust Management Ltd[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$46 billion.

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

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

Chua Tiow Chye, 59
Deputy Group Chief Executive Officer

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

Mr Chua concurrently serves as a Non-Executive Director of Mapletree Logistics Trust Management Ltd (MLTM) and Mapletree Greater China Commercial Trust Management Ltd[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, 52
Group Chief Financial Officer

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

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

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.

Amy Ng Lee Hoon, 51
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, 49
Regional Chief Executive Officer, Europe and USA

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

Prior to joining Mapletree, Mr Smith was a partner at Goldman Sachs, heading the 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 Worldwide in 2014.

Mr Smith has over 25 years of investment banking 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, 52
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 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.

GROUP SENIOR MANAGEMENT

Goh Chye Boon, 48
Regional Chief Executive Officer, China

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

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

Wendy Koh Mui Ai, 46
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 almost 20 years of experience as a real estate equities analyst, she was involved in many IPOs and capital raising deals including for Mapletree Logistics Trust, Mapletree Industrial Trust and Mapletree Commercial Trust.

Lee Ark Boon, 45
Chief Executive Officer, Logistics Development, China

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

Prior to joining Mapletree, Mr Lee was the Chief Executive Officer of International Enterprise Singapore where he played a key role in facilitating Singapore companies' overseas expansion and government's participation in government-to-government projects, including the Chongqing Connectivity Initiative and the Amaravati Capital City project. Preceding that, Mr Lee was the Deputy Secretary (Trade) at the Ministry of Trade and Industry, and he was responsible for Singapore's trade, investments 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, 48
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, 49
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, 45
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.

GROUP SENIOR MANAGEMENT

Cindy Chow Pei Pei, 48
Chief Executive Officer, Mapletree Greater China Commercial Trust Management Ltd

Ms Chow is the Chief Executive Officer and an Executive Director of Mapletree Greater China Commercial Trust Management Ltd[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. She later became the Senior Vice President and Head of Investment for Mapletree Logistics Trust Management Ltd. In that capacity, she was responsible for sourcing, identifying and evaluating potential acquisitions in the region, as well as recommending and analysing potential asset enhancement initiatives, with a view to enhance Mapletree Logistics Trust's portfolio.

Wan Kwong Weng, 46
Head, Group Corporate Services and Group General Counsel

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

Prior to joining Mapletree 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. He 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). Mr Wan 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, 52
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, project/construction management experience in the industrial, logistics, pharmaceutical, telecommunications, institutional, retail and commercial sectors across different geographies.

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

HIGHLIGHTS OF THE YEAR

MAY 2017

Official opening of VivoCity Shanghai, China

Mapletree issued S$700 million principal amount of 3.95% perpetual securities pursuant to its US$5 billion Euro Medium Term Note Programme. This was the largest Singapore dollar-denominated perpetual issuance in the year, following the issuance of S$625 million principal amount of 4.5% perpetual securities earlier in January 2017.

Japan-focused office fund MJOF added Shinagawa Seaside South Tower, a 17-storey building with one basement level, to its portfolio. Located in Tokyo, Japan, the property has a total gross floor area (GFA) of 51,200 square metres (sqm) and is well-served by public transportation networks.

Oakwood Olympic & Olive, Los Angeles, US

Oakwood Worldwide (Oakwood), a wholly owned subsidiary of Mapletree, opened Oakwood Apartments Azabudai, Tokyo, in Japan, following the opening of Oakwood Olympic & Olive in Los Angeles, the United States (US) in April 2017. These are the ninth and tenth balance sheet assets developed by Mapletree and reaffirmed the Group's intention to accelerate the acquisition and development of Oakwood-managed corporate housing/serviced apartment assets in the US, Europe and Asia-Pacific.

Latitude 45, a multi-family asset in Minnesota, US

Mapletree acquired eight student accommodation assets with 3,611 beds in the US and 140 beds in Canada, further enhancing its significant position in the student accommodation sector. It also acquired four multi-family assets with 1,388 units across three states in the US.

Mapletree further expanded into China's commercial real estate sector with the opening of its flagship brand "VivoCity" in Shanghai. The five-storey mall spans a total GFA of 120,000 sqm and features more than 280 shops including brands which are new to Shanghai.

JUNE 2017

Mapletree Business Centre, HCMC, Vietnam

Mapletree Business Centre, a 17-storey office building within Saigon South Place in Ho Chi Minh City (HCMC), won two awards at the PropertyGuru Vietnam Property Awards 2017, for Best Office Development and Best Office Architectural Design. It has since reached full occupancy, securing large international tenants such as Standard Chartered Bank and Grab.

Mapletree Industrial Trust (MIT) completed its largest build-to-suit development for HP Singapore at 1 and 1A Depot Close. This was MIT's first redevelopment project of a Flatted Factory Cluster into a purpose-built facility, comprising two Hi-Tech Buildings with a total GFA of over 76,600 sqm.

Mapletree made its first investment in Melbourne, Australia, with the acquisition of a Grade A office building located on 417 St Kilda Road. The nine-storey building has a total net lettable area (NLA) of 20,135 sqm.

HIGHLIGHTS OF THE YEAR

JULY 2017

The Maltings, Colchester, UK

Mapletree continued to actively build its presence in the United Kingdom (UK) with the acquisition of The Maltings, a 779-bed student accommodation facility in Colchester.

"Home & Away with Mapletree" event at VivoCity, Singapore

As part of Mapletree's corporate social responsibility (CSR) efforts to support education, a three-day "Home & Away with Mapletree" event was held at VivoCity Singapore to give away more than 500 fleece jackets to Singaporeans and permanent residents pursuing tertiary education in the UK. This outreach provided insights into student living in the UK and showcased Mapletree's quality student accommodation portfolio.

AUGUST 2017

mPlaza Saigon, HCMC, Vietnam

Kumho Asiana Plaza was rebranded as mPlaza Saigon under the Group's plan to rejuvenate the property following its acquisition in 2016. Asset enhancement initiatives (AEIs) began with works to revamp common areas in the retail podium. The mixed-use development in Vietnam continues to see keen interest from large corporates and international travellers looking to stay in the city centre, and has achieved record occupancy and average daily room rates.

Mapletree's logistics development in Hangzhou, China

Mapletree continued to support the network outreach of Alibaba Group's logistics affiliate, as the latter expanded operations at Mapletree's logistics development in Hangzhou, China, with a new lease of 24,893 sqm of NLA, in addition to the 51,368 sqm contracted in 2016. In July 2017, a total NLA of 105,241 sqm was committed on Mapletree's logistics developments in Nanchang, Xiaogan and Changsha to enhance the tenant's distribution network in Jiangxi, Hubei and Hunan provinces.

SEPTEMBER 2017

Mapletree signed an agreement with a leading express delivery service provider in China on the lease of a customised high quality, single-storey warehouse of NLA 25,320 sqm at Nanchang. Subsequently, an additional lease of 5,145 sqm was affirmed with the tenant's subsidiary to support its supply chain business in the area.

Mapletree Logistics Trust (MLT) issued S$180 million in aggregate principal amount of 3.65% fixed rate perpetual securities under its S$3 billion Euro Medium Term Securities Programme.

MIT expanded its investment strategy to include real estate and real estate-related assets used primarily as data centres worldwide beyond Singapore. This demonstrates the Trust's focus on growing the Hi-Tech Buildings segment through extending its foothold in the fast-growing global data centre segment.

OCTOBER 2017

Sonic Pathway, an art installation at MBC II, Singapore

Mapletree, in collaboration with Nanyang Technological University (NTU), launched the "Mapletree-NTU Centre for Contemporary Art Singapore (NTU CCA Singapore) Public Art Education Programme", underlining the Group's commitment to art, which is one of the pillars of its CSR efforts. A series of new public installations and art education programmes, including guided tours, artist talks and workshops, will be developed at Mapletree Business City (MBC) to bring the arts closer to the communities.

Discursive Picnic at MBC II, Singapore

As part of the Public Art Education Programme, Mapletree and NTU CCA Singapore co-presented "Discursive Picnic" at MBC II during Archifest 2017, a public festival to celebrate Singapore's architecture and the built environment. Participants went on an art trail to experience art in daily environments such as places where people live and work. This allowed them to broaden and deepen engagement with and appreciation for the arts.

Mapletree completed the divestment of Mapletree Logistics Hub Tsing Yi to MLT for HK$4.8 billion (~S$834.8 million). An 11-storey ramp-up Grade A logistics facility with a total GFA of 120,550 sqm, this was the first logistics property developed by Mapletree in Hong Kong SAR.

The second phase of Global Technology Park in India obtained its Occupancy Certificate two months ahead of schedule. Comprising two 12-storey office towers with a basement level, it has a total NLA of 68,179 sqm.

NOVEMBER 2017

Mapletree Chairman hosted international delegates from CIMAM at MBC II, Singapore

Mapletree hosted more than 200 international delegates from the Annual Conference for the International Committee for Museums and Collections of Modern Art (CIMAM) at MBC II. Special art tours were organised for the delegates to view the art installations at MBC II.

Mapletree extended financial support of more than S$69,000 to 11 youths from three local voluntary welfare organisations under the Mapletree Youth Resilience Programme. The number of beneficiaries has doubled since the programme was launched in 2016 with five beneficiaries.

RichLane Residences and Oakwood Residence Saigon, the residential and serviced apartment components of Saigon South Place, received the Certificate of Completion. The former is a high-rise tower with 243 units while the latter is a balance sheet asset developed by Mapletree with 237 units that officially opened in April 2018.

Mapletree and its subsidiary Vietnam Management and Consultancy Co Ltd donated VND702 million (~S$41,000) to sponsor health insurance for 1,800 people from underprivileged communities in HCMC, Vietnam. The sponsored health insurance card covers at least 80% of all medical expenses for a period of 12 months. This was in conjunction with the 10th anniversary of Saigon Co.op Investment Development Joint Stock Company, Mapletree's joint venture partner for SC VivoCity.

Youths learnt futsal techniques at the Mapletree Youth Futsal Camp 2017, Singapore

In Singapore, Mapletree successfully conducted the Mapletree Youth Futsal Camp 2017 at the MBC futsal courts, where 21 youths aged between 13 and 18 learnt basic futsal techniques and engaged in friendly matches. Aligned to Mapletree's support for youths-at-risk, the futsal camp was a fun way to kick-start the school holidays for youths from YouthReach (an affiliate of Boys' Town) and Beyond Social Services as well as children of employees and tenants.

HIGHLIGHTS OF THE YEAR

DECEMBER 2017

TF Nishidai Building, Tokyo, Japan

Mapletree acquired TF Nishidai Building in Tokyo, Japan. Spanning a total GFA of 22,792 sqm, the six-storey office building enjoys easy access to the central business district (CBD).

180 Peachtree, Atlanta, a data centre in Georgia, US

Mapletree and MIT completed the acquisition of a portfolio of 14 data centres in the US through an unlisted single purpose trust, Mapletree Redwood Data Centre Trust (MRDCT), at a purchase consideration of approximately US$750 million (~S$1,020 million). The portfolio is anchored by long leases with high-quality tenants from a diverse range of industries. Under the joint venture agreement, Mapletree holds a 60% interest in MRDCT, while MIT holds the remaining 40%.

Mapletree acquired its first office property in the US. Located in the CBD of Minneapolis, Minnesota, 50 South Sixth is a 29-storey building with a total NLA of 64,903 sqm, of which 3,107 sqm is retail space.

JANUARY 2018

MLT completed the redevelopment of Mapletree Pioneer Logistics Hub (formerly known as 76 Pioneer Road), a modern five-storey ramp-up logistics facility with a GFA of 72,000 sqm. This is MLT's third redevelopment project in Singapore.

evo at Cira Centre South, Pennsylvania, US

Mapletree added evo at Cira Centre South to its growing portfolio of student accommodation assets in the US. The 850-bed asset is located in Philadelphia, Pennsylvania. With this, Mapletree has 19 student accommodation assets in the US comprising approximately 13,000 beds.

Mapletree and Singapore Management University (SMU) jointly launched the Mapletree Real Estate Programme. The first of its kind, the multi-faceted programme includes the Mapletree Professorship in Real Estate, Mapletree Awards, Mapletree Real Estate Business Study Trip Grant and Mapletree Speaker Events. Made possible by an endowed gift of S$3 million from Mapletree, the programme aims to equip students with the necessary knowledge and cross-disciplinary skills to navigate the growing real estate sector.

Mapletree Greater China Commercial Trust (MGCCT)[1] broadened its investment mandate beyond Greater China to include Japan. Japan provides attractive commercial real estate acquisition opportunities with largely freehold tenure and at relatively higher yield spread against the local cost of funds, attributes that are presently not available in MGCCT's[1] existing markets.

Mapletree affirmed a leasing agreement with one of the leading e-commerce companies in China for 101,616 sqm of NLA, comprising seven blocks of warehouses with ancillary offices at Mapletree's development in Nanjing. An earlier lease was secured in September 2017 for the sole tenancy of Mapletree's logistics park in Wuhan, a facility comprising four blocks of high-quality single-storey warehouses with ancillary offices, with a total NLA of 69,984 sqm.

Launch of the Mapletree Real Estate Programme by Mr Edmund Cheng, Chairman of Mapletree and Professor Arnoud De Meyer, President of SMU

To commemorate the 45th anniversary of the establishment of diplomatic relations between Singapore and Vietnam, 27 Mapletree staff participated in the Singapore-Vietnam Charity Run organised by the Singapore Embassy in Hanoi and the Vietnam-Singapore Friendship Association. Mapletree also donated S$10,000 to the National Fund for Vietnamese Children, the designated beneficiary of the event. The donation went towards building a facility for children in the Tuyen Quang province.

MLT acquired the remaining 38% in strata share value of Shatin No. 3, an 18-storey warehouse and freight handling cargo complex in New Territories, Hong Kong SAR. This brings MLT's interest in the property to 100%.

FEBRUARY 2018

As part of Mapletree's Staff CSR Programme, the employees in Vietnam delivered daily necessities and donations of clothes and shoes to more than 60 children aged four to 14 years from the SOS Children's Village in Go Vap. This was the first time the Vietnam team was awarded funding for their CSR initiative.

30A Kallang Place, Singapore

MIT completed the S$77 million AEI at 30A Kallang Place and improvement works at the existing buildings in the Kallang Basin 4 Cluster. Adding about 31,200 sqm of GFA, the new 14-storey Hi-Tech Building, 30A Kallang Place, has been awarded the Building Construction Authority of Singapore (BCA) Green Mark Gold for New Non-Residential Buildings.

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

Mapletree presented "Once Upon a Time" event by The TENG Ensemble to more than 600 people at VivoCity Amphitheatre in Singapore, in celebration of the Lunar New Year. This was the first of two public showcase performances by The TENG Ensemble, of which Mapletree is a corporate sponsor as part of its support for the arts.

MARCH 2018

Green Park Triathlon 2018 at Reading, UK

Green Park was one of the organising sponsors for Green Park Triathlon 2018, which attracted over 100 participants. Nearly £2,000 (~S$3,687) was raised for Sport Relief, a charity that tackles critical issues affecting people across the UK and the world.

Mapletree organised the second Mapletree Futsal Challenge as a joint CSR initiative that was opened to its tenants from MBC and PSA Building. With dollar-for-dollar matching by Mapletree, the S$6,000 raised was donated to youth intervention programmes managed by the voluntary welfare organisations – YouthReach and Beyond Social Services.

11 Waymouth Street, Adelaide, Australia

Mapletree further expanded its footprint in Australia with the acquisition of a 21-storey Grade A office building in Adelaide. This marks the eighth office asset in Australia since the Group made its maiden acquisition in 2014.

MGCCT[1] announced the proposed acquisition of six freehold office properties located in Tokyo, Chiba and Yokohama for a total acquisition cost of approximately JPY63,304 million (~S$779 million). With an NLA of 148,643.6 sqm and a long weighted average lease expiry of 5.8 years, the portfolio is Distribution per Unit-accretive and contributes a diversified and stable income stream to MGCCT[1].

Mapletree completed the construction of its first office development near Kwun Tong, Hong Kong SAR. A 19-storey Grade A low-carbon green building incorporated with environmentally sustainable features, Mapletree Bay Point was awarded the 2015 Precertification for Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level prior to its completion.

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

FINANCIAL REVIEW

INCOME STATEMENT

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

	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18
Revenue	**1,521.9**	**1,633.9**	**1,878.9**	**2,328.8**	**3,194.4**
Earnings before interest and taxes (EBIT)	1,051.9	1,137.3	1,316.3	1,545.1	1,626.1
Share of profit/(loss) of associated companies and joint ventures (SOA) (operating)	(9.7)	4.1	10.6	30.0	107.9
EBIT + SOA	**1,042.2**	**1,141.4**	**1,326.9**	**1,575.1**	**1,734.0**
Finance cost – net	(174.6)	(167.4)	(246.2)	(331.7)	(362.2)
Income tax expense	(105.0)	(124.3)	(141.6)	(168.9)	(204.9)
Others	–	42.4	28.7	36.7	27.3
Non-controlling interests	(380.9)	(418.1)	(438.4)	(467.6)	(509.5)
Recurring PATMI	**381.7**	**474.0**	**529.4**	**643.6**	**684.7**
Asset revaluation gains[1]	478.0	545.9	404.1	662.1	1,136.7
Corporate restructuring surplus and disposal gains[2]	14.6	3.1	8.3	197.6	126.0
Other gains/(losses) – net[3]	3.9	(19.4)	23.4	(89.6)	11.2
PATMI	**878.2**	**1,003.6**	**965.2**	**1,413.7**	**1,958.6**
Attributable to:					
Equity holder of the Company	**828.6**	**954.0**	**915.6**	**1,349.6**	**1,873.6**
Perpetual securities holders	**49.6**	**49.6**	**49.6**	**64.1**	**85.0**
	878.2	**1,003.6**	**965.2**	**1,413.7**	**1,958.6**
Operational profit after tax and minority interests (Operational PATMI)	**392.7**	**467.6**	**651.0**	**1,376.5**	**764.4**

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.

BALANCE SHEET

As at 31 March (S$ million)

	2014 FY13/14	2015 FY14/15	2016 FY15/16	2017 FY16/17	2018 FY17/18
Assets					
Investment properties:					
Completed properties	20,478.0	22,453.9	27,567.1	30,386.8	37,296.1
Under redevelopment	304.1	704.3	996.5	299.6	126.2
Property held for sale	15.9	17.2	16.5	41.2	87.5
Properties under development	1,443.3	1,790.4	1,647.2	1,663.0	409.8
Property, plant and equipment	10.3	9.1	11.3	175.6	165.3
Investments in associated companies and joint ventures	621.3	922.4	871.0	1,279.0	1,509.4
Cash and cash equivalents	717.0	752.0	1,027.0	1,179.8	1,267.6
Others	414.9	554.5	821.4	1,234.2	1,713.1
Total Assets	**24,004.8**	**27,203.8**	**32,958.0**	**36,259.2**	**42,575.0**
Liabilities					
Borrowings/Medium term notes	7,077.9	8,332.3	13,219.3	13,095.5	16,623.4
Current and deferred income tax liabilities	292.0	343.7	384.9	422.9	546.2
Others	884.5	1,132.6	1,294.1	1,517.0	1,488.4
Total Liabilities	**8,254.4**	**9,808.6**	**14,898.3**	**15,035.4**	**18,658.0**
Net Assets	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**
Shareholder's funds	8,343.6	9,330.1	9,941.3	11,184.1	12,785.9
Perpetual securities	941.1	941.1	941.1	1,817.8	1,760.0
Non-controlling interests	6,465.7	7,124.0	7,177.3	8,221.9	9,371.1
Total Equity	**15,750.4**	**17,395.2**	**18,059.7**	**21,223.8**	**23,917.0**

FINANCIAL REVIEW

KEY HIGHLIGHTS – FY17/18

- The Group concluded the year with a record PATMI of S$1,958.6 million, 39% higher than the previous financial year. The profitability of the Group was underpinned by strong recurring earnings of S$684.7 million, a year-on-year (y-o-y) growth of 6% or S$41.1 million higher than FY16/17. In addition, the Group recorded increased investment and other gains of S$137.2 million and asset revaluation gain (net) of S$1,136.7 million. The Group achieved an operational PATMI of S$764.4 million, a y-o-y decline of 44% or S$612.1 million against FY16/17 as the prior financial year benefitted from a large divestment gain, measured from the original invested cost (OIC) from the divestment of Mapletree Business City I (MBC I) to Mapletree Commercial Trust (MCT) in August 2016 and divestment of three Japan logistics assets to MJLD.

- Following the successful syndication of Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) in March 2017, the Group continued to deepen its presence in this sector with another acquisition in May 2017 from Kayne Anderson Real Estate Advisors (Kayne Real Estate). The portfolio of assets acquired comprised eight purpose-built student housing assets with 3,611 beds in the United States (US) and 140 beds in Canada, and four multi-family assets with 1,388 units in the US.

- In addition, the Group acquired The Maltings in July 2017, a student accommodation asset comprising 779 beds located in Colchester, the United Kingdom (UK) for £61.5 million (~S$110 million). In January 2018, the Group acquired evo at Cira Centre South, an 850-bed student housing asset located in Philadelphia, Pennsylvania for approximately US$202.4 million (~S$270 million).

- In December 2017, Mapletree Investments and Mapletree Industrial Trust (MIT) entered into a joint venture to acquire 14 data centres in the US at a purchase consideration of approximately US$750 million (~S$1,020 million). This portfolio acquisition is the Group's first foray into the growing US data centre sector. The increasing data creation and storage, growth in cloud-based applications as well as the need for local data storage continue to drive the demand for data centre services in established cities.

- The Group also expanded its presence in the Australia office portfolio with two office assets acquisitions – 417 St Kilda Road in Melbourne and 11 Waymouth Street in Adelaide in June 2017 and March 2018 respectively. The combined value of the two acquisitions was S$350 million.

- The Group also made progress in the development front with its activities primarily in Asia. Specifically in China, the logistics portfolio added 12 new projects. The Group also completed the development of eight new logistics projects in China bringing total gross floor area (GFA) to 3.5 million square metres (sqm) (a 26% y-o-y increase) as at 31 March 2018. In Hong Kong SAR, Mapletree Bay Point – a Grade A office building with retail facilities and GFA of 61,315.5 sqm near Kwun Tong located within the business district obtained its temporary occupation permit (TOP) in April 2018. In Singapore, 18 Tai Seng achieved occupancy of 84.4% as at 31 March 2018.

- The Group grew its total real estate assets owned and managed (AUM) by 17% from S$39.5 billion to S$46.3 billion during the financial year.

- The Group executed a number of win-win capital recycling transactions. In October 2017, Mapletree Investments divested Mapletree Logistics Hub Tsing Yi (MLHTY) to Mapletree Logistics Trust (MLT) in a win-win capital recycling transaction. The property was a strategic addition to MLT's existing portfolio with Hong Kong SAR becoming the second largest income contributor to MLT, accounting for 27% of its Net Property Income (NPI), diversifying the Trust's tenant base and was Distributon per Unit (DPU) accretive. On the other hand, Mapletree realised an attractive return and recycled gross proceeds of S$835 million.

- Additionally, in May 2018, the Group's managed private fund, MJOF, divested six office buildings in Japan to MGCCT. This acquisition is DPU accretive and is a welcome diversification beyond Hong Kong SAR and China for MGCCT.

- The Group successfully tapped the capital markets through a S$700 million award-winning 3.95% Singapore dollar perpetual securities issuance in 2017. Part of the proceeds was used to redeem the S$600 million 5.125% perpetual securities issued in July 2012. In addition, the four REITs also raised gross proceeds of S$1,195.7 million from the capital market through equity fund raising of S$795.7 million, perpetual securities issuance of S$180 million and bond issuance of S$220 million.

- The Group delivered a return on equity (ROE) of 15.7% and return on invested equity (ROIE) of 8.7% for FY17/18.

- Total Debt/Total Asset ratio was 39% as at 31 March 2018 and the Group has ample financial flexibility with S$9.9 billion cash and undrawn facilities at the end of the financial year.

PERFORMANCE OVER FIVE YEARS

- The Group grew its PATMI from S$951.5 million in FY12/13 to S$1,958.6 million in FY17/18. PATMI compounded annual growth rate (PATMI CAGR) since 31 March 2013 was 15.5% 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$276.6 million in FY12/13 to S$684.7 million in FY17/18.

- Fee income (including REIT management fees) increased from S$188.1 million in FY12/13 to S$302.1 million in FY17/18 at a CAGR of 9.9% p.a.

- Five-year average ROE for the Group stood at 11.9% while the five-year average ROIE was 10.2%.

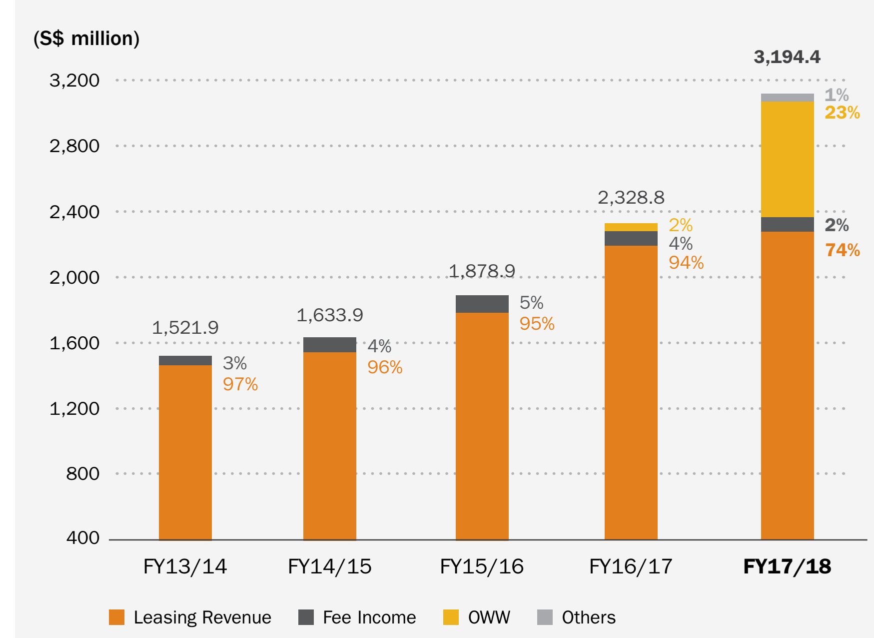
- The Group grew its shareholder's funds by S$5.2 billion over a five-year period to S$12.8 billion as at 31 March 2018. Net asset value compounded annual growth rate (NAV CAGR) since 31 March 2013 was 12.4% p.a.

- Total AUM grew by close to 2.1 times from S$21.8 billion as at 31 March 2013 to S$46.3 billion as at 31 March 2018.

- Asia accounted for 79% of the Group's AUM in FY17/18. The Group made a strategic decision to expand beyond Asia into the developed economies of North America, Australia and Europe four years ago. These developed economies now comprise 21% of Mapletree's total owned and managed real estate assets, with a total AUM of S$9.6 billion as at 31 March 2018.

REVENUE

SOURCES OF REVENUE (%)



In FY17/18, Mapletree achieved a total revenue of S$3,194.4 million, representing a strong y-o-y growth of 37% or a CAGR of 18.1% over the last five years.

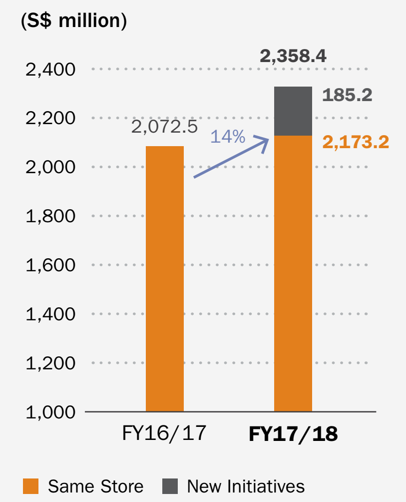
Oakwood Worldwide (OWW), a premier global provider of corporate housing/serviced apartment solutions acquired in February 2017 contributed significantly to the increase in revenue. FY16/17 had consisted one month revenue contribution from OWW. Full year contribution from OWW added S$743.8 million to the Group's revenue in FY17/18.

In addition, leasing revenue from the newly completed development projects, new income streams from acquisitions in the US, Europe and Australia as well as the increased rental revenue of the four Mapletree managed REITs – MLT, MIT, MCT and MGCCT, contributed to the growth in leasing revenue.

The Group recorded fee income of S$70.9 million in FY17/18 compared to S$78.9 million in FY16/17 (fee income of REITs management companies were eliminated on consolidation). The decrease y-o-y of 10.1% was primarily due to lower private fund base fee as China and Japan funds entered into divestment stage.

FINANCIAL REVIEW

LEASING REVENUE Y-O-Y ANALYSIS



MLT's revenue growth was mainly due to organic growth from existing portfolio, contributions from new acquisitions and contributions from the newly completed redevelopment of Mapletree Pioneer Logistics Hub (formerly known as 76 Pioneer Road).

MIT's gross revenue for FY17/18 was S$363.2 million, 7% (or S$22.7 million) higher compared to the corresponding period last year. This was mainly due to revenue contribution from HP and pre-termination compensation sum from Johnson & Johnson Pte Ltd, partially offset by lower portfolio occupancy.

MCT's revenue rose 15% to S$433.5 million for FY17/18, driven by full year contribution from MBC I in FY17/18 and higher contributions from VivoCity and Bank of America Merrill Lynch HarbourFront, offset by lower contributions from PSA Building and Mapletree Anson.

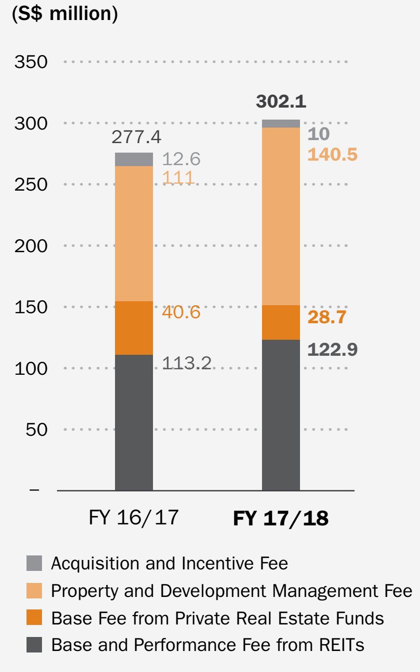
MGCCT's improved y-o-y performance was largely driven by higher revenue growth from Festival Walk and Gateway Plaza.

Aside from the REIT leasing revenue growth, the Group's same store assets delivered better performance in leasing revenue from existing projects in China, the UK, Europe and Australia.

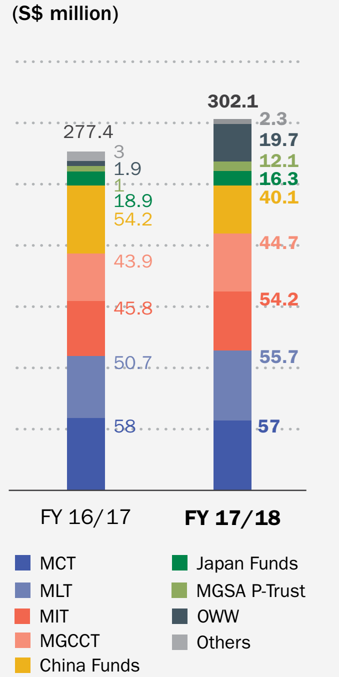
In addition, new initiatives of the Group including acquisitions in the US, Europe and Australia, also contributed significantly to the growth in revenue. This was in line with the Group's strategic decision to expand beyond Asia and into developed economies.

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

Fee Income by Type



Fee Income by Business Unit (BU)



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

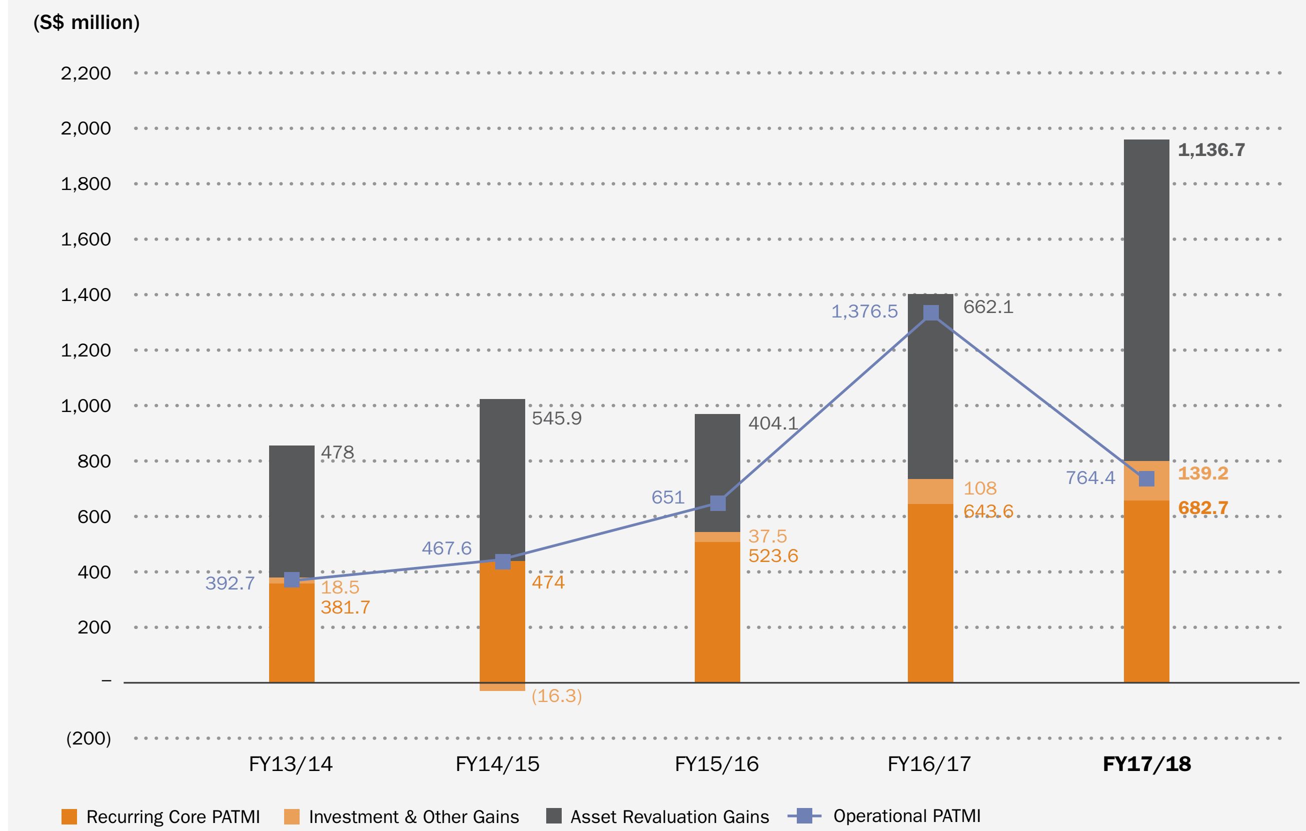
Including REIT management fees, fee income increased from S$277.4 million in FY16/17 to S$302.1 million in FY17/18, driven by higher fee contribution from three of the Group's managed REITs – MLT, MIT and MGCCT.

Base fee from private real estate funds have reduced by S$11.9 million y-o-y as Japan and China funds enter into divestment stage.

Property and development management fee increased by S$29.5 million due to management fee income earned from OWW and the Group's sponsored MGSA P-Trust syndicated in March 2017.

EARNINGS PROFILES

PATMI AND OPERATIONAL PATMI



In FY17/18, the Group produced commendable results, attaining the highest ever PATMI of S$1,958.6 million. This is a growth of 39% y-o-y. All three elements – (1) recurring core PATMI (2) investments and other gains (3) asset revaluation gains contributed to the increase.

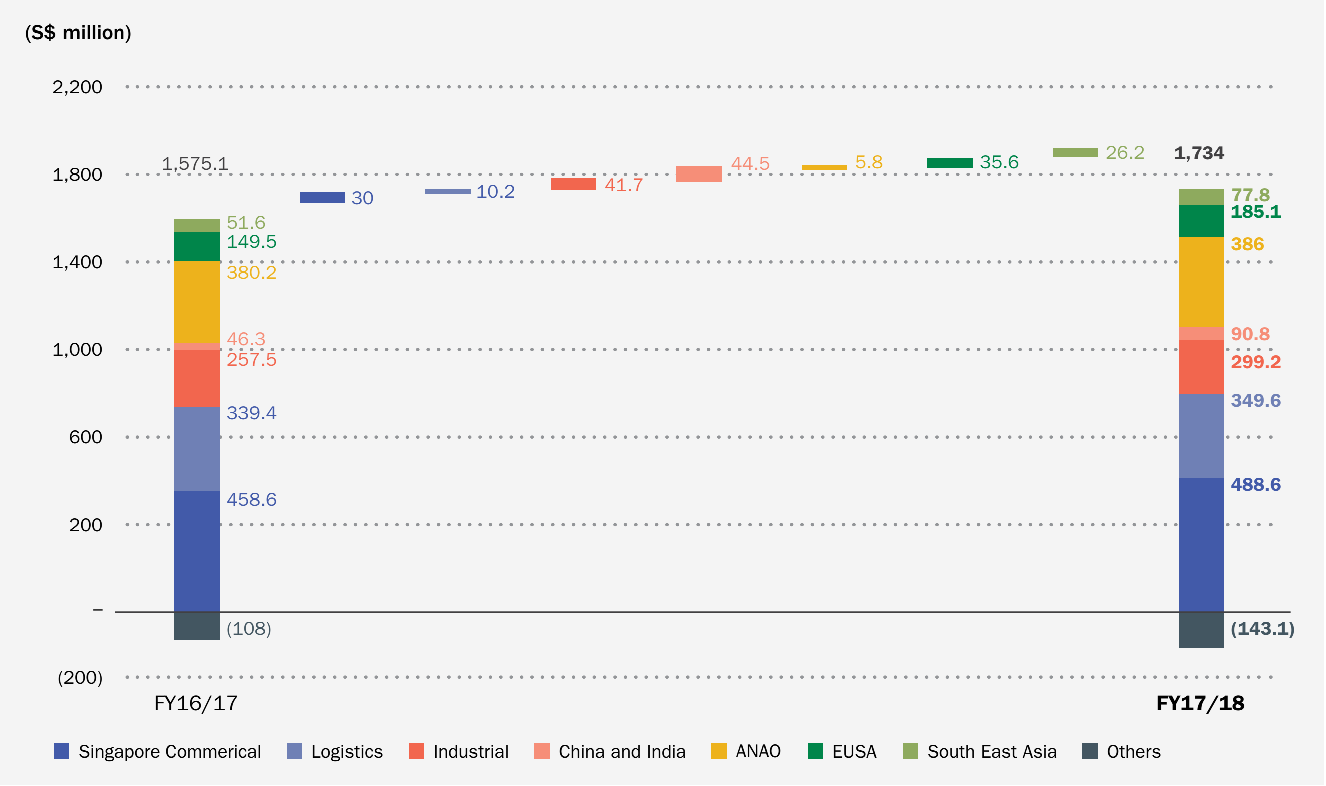
Recurring core PATMI grew by 6% from S$643.6 million in FY16/17 to S$682.7 million in FY17/18 driven by strong recurring earnings and the Group's efforts to build up its presence globally across various major asset classes.

Asset revaluation gains of S$1,136.7 million were recorded in FY17/18, supported by the underlying performance of Mapletree's AUM.

The Group achieved Operational PATMI of S$764.4 million in FY17/18, compared to S$1,376.5 million in FY16/17. The exceptionally high Operational PATMI in the previous financial year was mainly a result of the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD.

FINANCIAL REVIEW

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

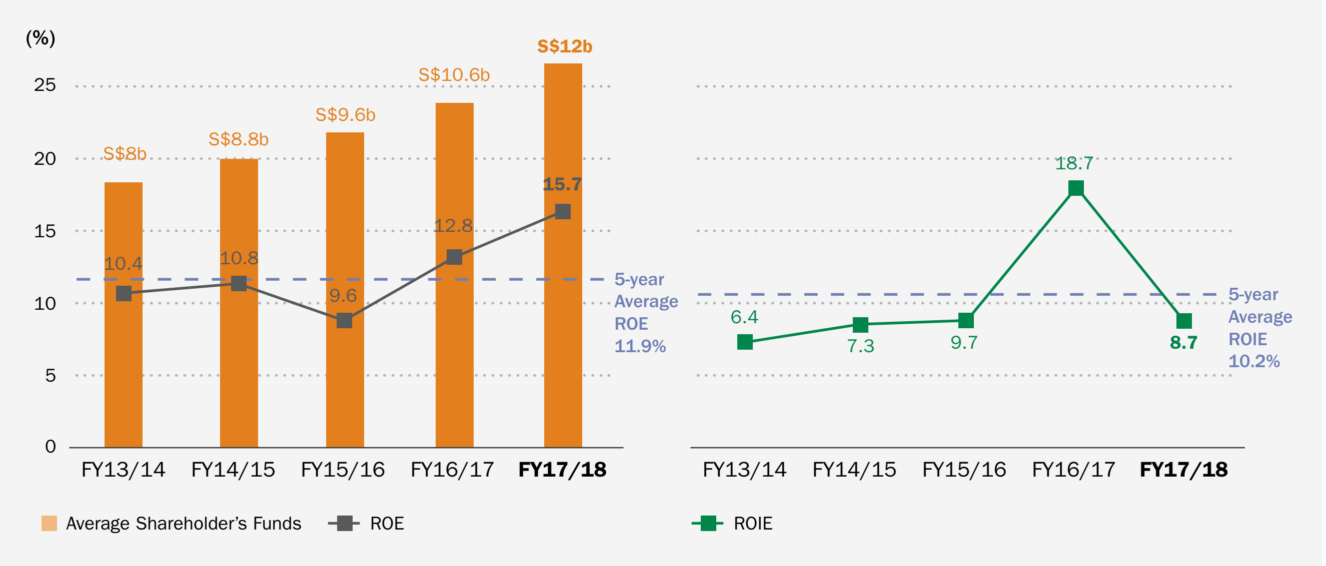


The Group recorded higher EBIT + SOA from S$1,575.1 million in FY16/17 to S$1,734 million in FY17/18 contributed from new acquisitions and newly completed development projects. Active lease management and cost containment of the portfolio, as well as new income streams from acquired properties in the US, the UK, Australia and Japan and contributed to the improvement.

- Singapore Commercial business unit (BU) recorded a higher EBIT + SOA of S$30 million over FY16/17 mainly due to higher earnings from MBC I, MBC II, VivoCity and 18 Tai Seng (obtained TOP in November 2016).
- Logistics BU reported an increase of S$10.2 million, largely attributable to higher leasing revenue from the China logistics portfolio, and higher contribution from MLT, partially offset by lower revenue due to the divestment of Japan logistics properties to MJLD in February 2017.
- Industrial BU posted an increase of S$41.7 million from higher MIT earnings attributed to higher revenue contribution from Phase 1 of the build-to-suit for HP which obtained TOP in October 2016 and the new data centres acquired in FY17/18.
- China and India BU recorded higher EBIT + SOA by S$44.5 million mainly due to higher contribution from Mapletree China Opportunity Fund II (MCOF II) from sale of residential units in Nanhai Business City 4 upon completion. In addition, higher leasing revenue from Phase 2 retail of VivoCity Shanghai which commenced operations in March 2017 and higher lease rental revenue from Phase 1 office of MBC Shanghai, both of which are owned by Mapletree China Funds, also contributed to higher earnings.
- Australia-New Zealand, North Asia and Oakwood (ANAO) BU recorded higher EBIT + SOA by S$5.8 million primarily attributable to increased contributions from corporate lodging and serviced apartments.
- Europe and USA (EUSA) BU achieved higher EBIT + SOA by S$35.6 million primarily attributable to full year contributions from FY16/17 acquisitions and new acquisitions of student accommodation and office buildings in the US and the UK.
- South East Asia BU registered higher EBIT + SOA of S$26.2 million mainly due to full year contribution from mPlaza Saigon and Mapletree Business Centre, as well as overall strong performance of the Vietnam market.

EARNINGS RATIO

ROE (%) AND ROIE (%)



ROE increased from 12.8% in FY16/17 to 15.7% in FY17/18 attributable to higher operating earnings, corporate restructuring surplus, disposal gains and asset revaluation gains.

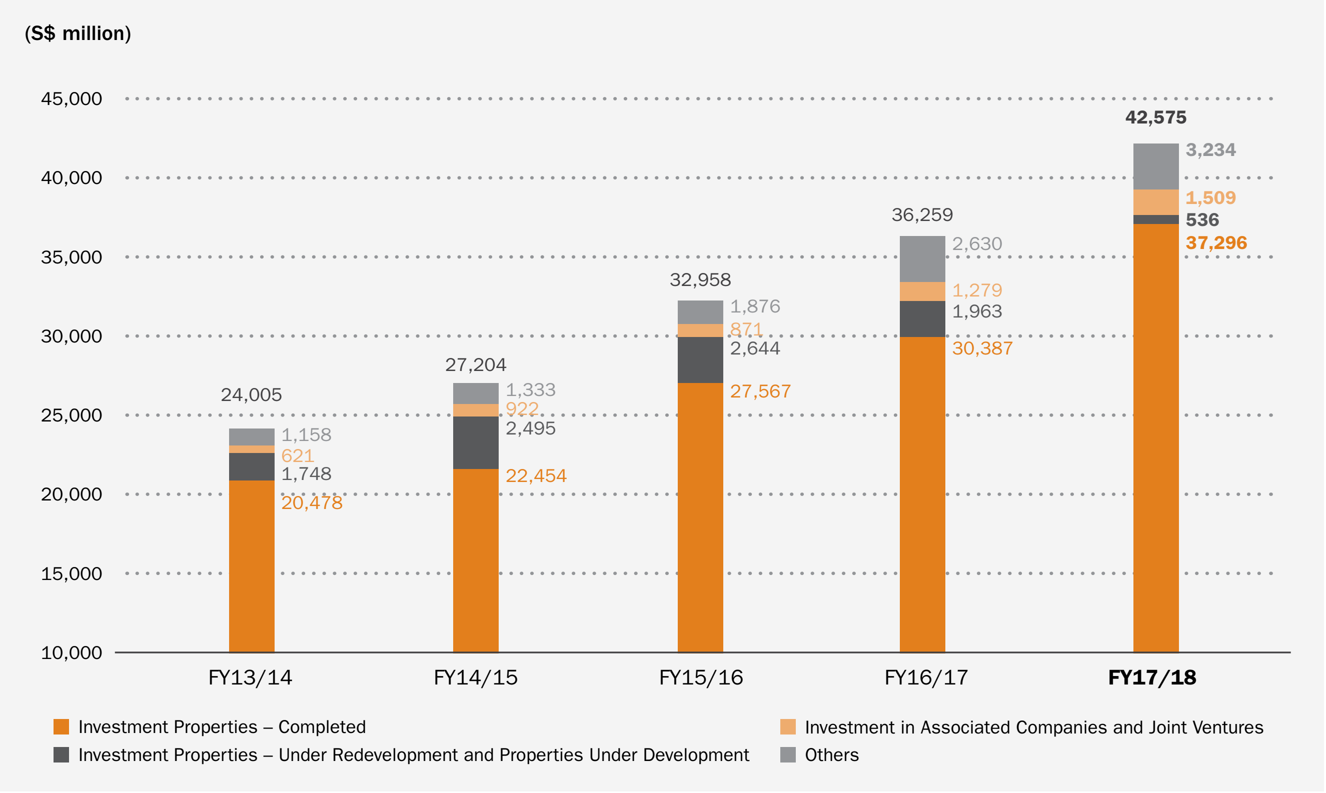
ROE for a real estate company includes gains or losses from revaluation of investment properties in accordance with Singapore Financial Reporting Standards 40 which can be significant. From an operational measurement point of view, the Group also considers ROIE as one of its performance measurement metrics.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

The Group delivered to its shareholders a ROIE of 8.7% in FY17/18. The decline in ROIE from 18.7% to 8.7% was because FY16/17 had the benefit of the divestment of MBC I to MCT and the divestment of three Japan logistics assets to MJLD. The divestment gain (from OIC) of MLHTY warehouse in Hong Kong SAR to MLT in FY17/18 was insufficient to offset those in FY16/17. The lower divestment gain from OIC contributed a decrease in Operational PATMI from $1,376.5 million last year to S$764.4 million in the current year.

FINANCIAL REVIEW

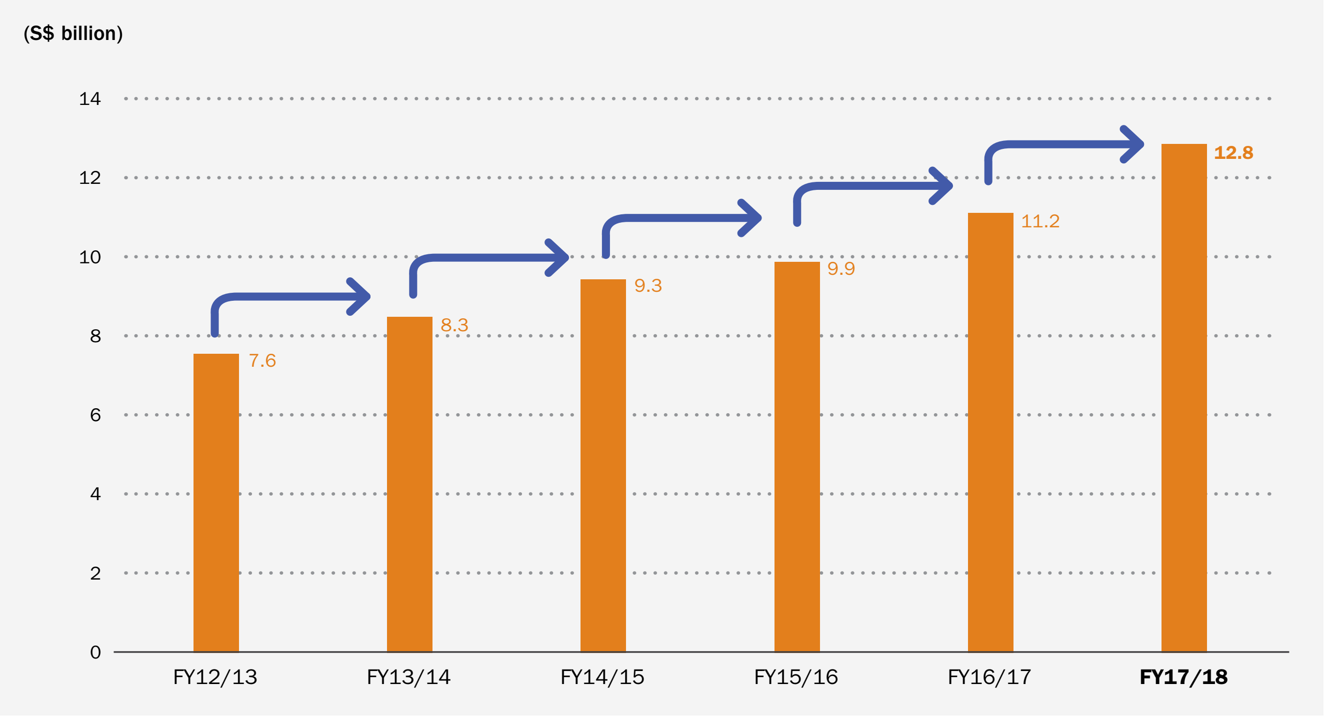
TOTAL ASSET BASE AND SHAREHOLDER'S FUNDS

TOTAL ASSET BASE



Total assets grew from S$36,259 million in FY16/17 to S$42,575 million in FY17/18, primarily due to an increase of S$6.9 billion in Investment Properties – Completed. The increase is attributed to several factors which include new acquisitions of investment properties in the US, Europe, Australia and Japan, capital uplift of the overall portfolio and the completion of several properties under construction.

SHAREHOLDER'S FUNDS

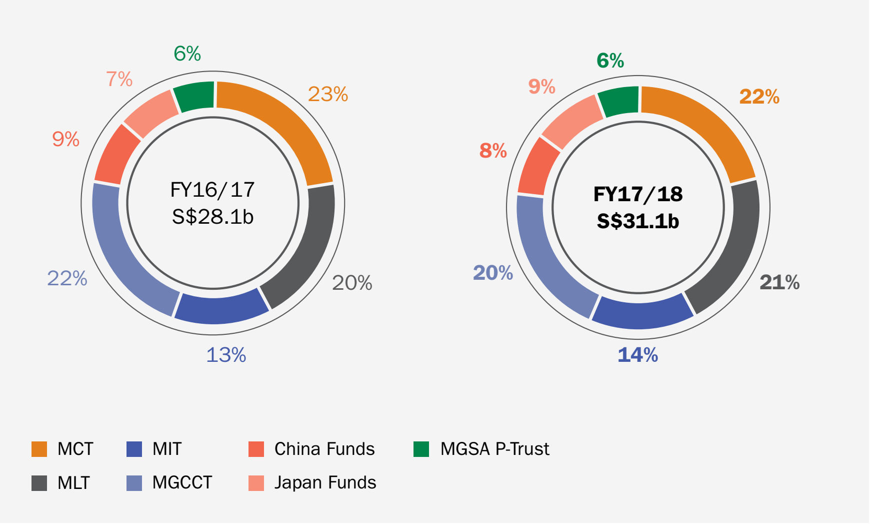


Over the years, the Group continued to seek quality and yield-accretive investment opportunities that deliver long-term value across different asset classes, as well as executing well on its development projects. Strong underlying businesses, increase in real estate valuation and capital management platforms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

The Group's PATMI of S$1,958.6 million in FY17/18 contributed to a 14% increase in shareholder's funds from S$11.2 billion for FY16/17 to S$12.8 billion for FY17/18.

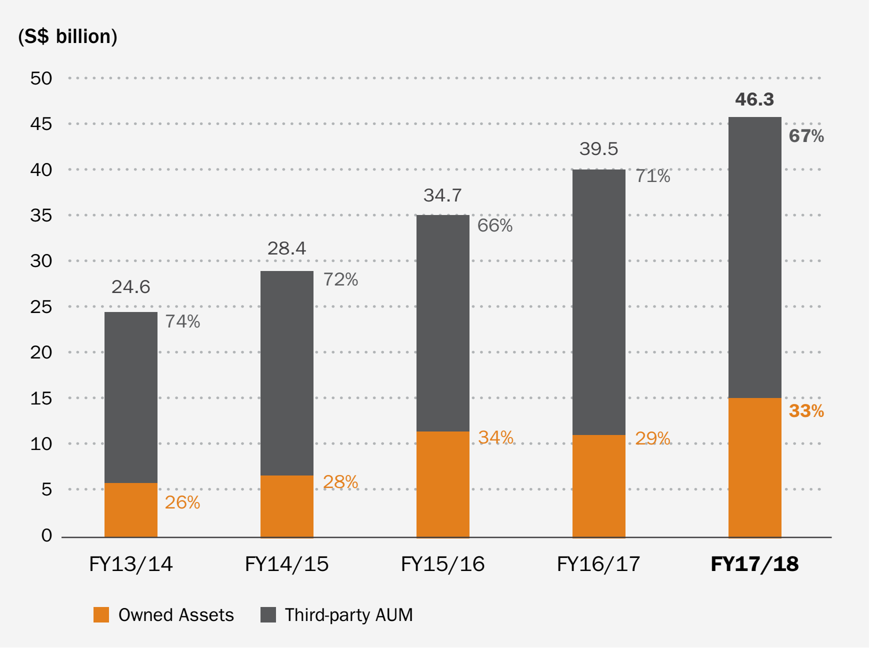
FINANCIAL REVIEW

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



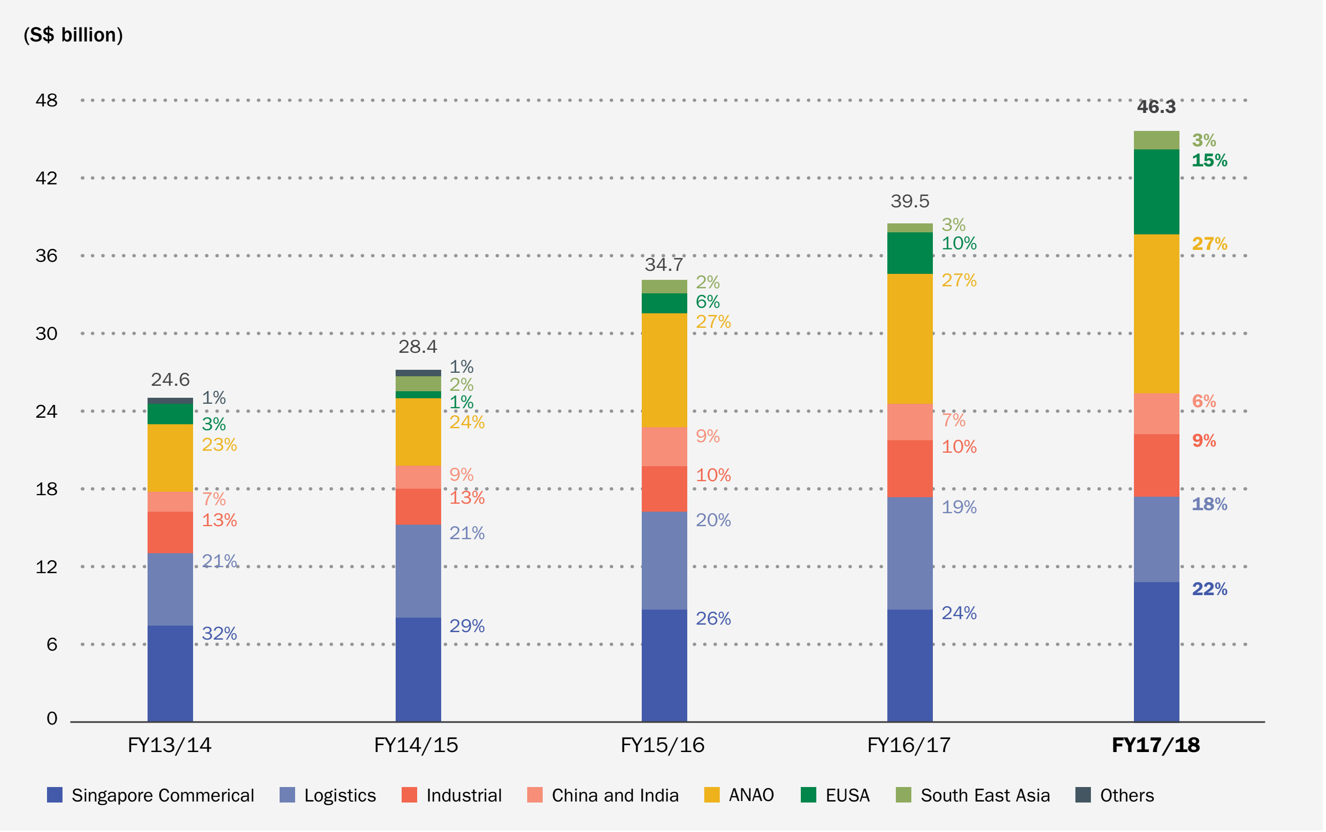
Third-party AUM grew by S$3 billion from S$28.1 billion in FY16/17 to S$31.1 billion in FY17/18. The increase is mainly driven by MIT entering into a joint venture to acquire 14 data centres in December 2017, divestment of MLHTY to MLT and capital value uplift of the REITs' portfolio.

TOTAL REAL ESTATE ASSET BASE



The Group continued to achieve significant growth in its real estate AUM in the last five years with a CAGR growth of 16%. Total owned and managed real estate assets increased from S$39.5 billion in FY16/17 to S$46.3 billion in FY17/18 mainly underpinned by increased acquisitions in the US, Europe, Australia and Japan. Positive value contributions from development activities, capital value uplift of the REITs' portfolio and the Group's owned assets including MBC II and Mapletree Bay Point in Hong Kong SAR, also contributed to the growth in AUM.

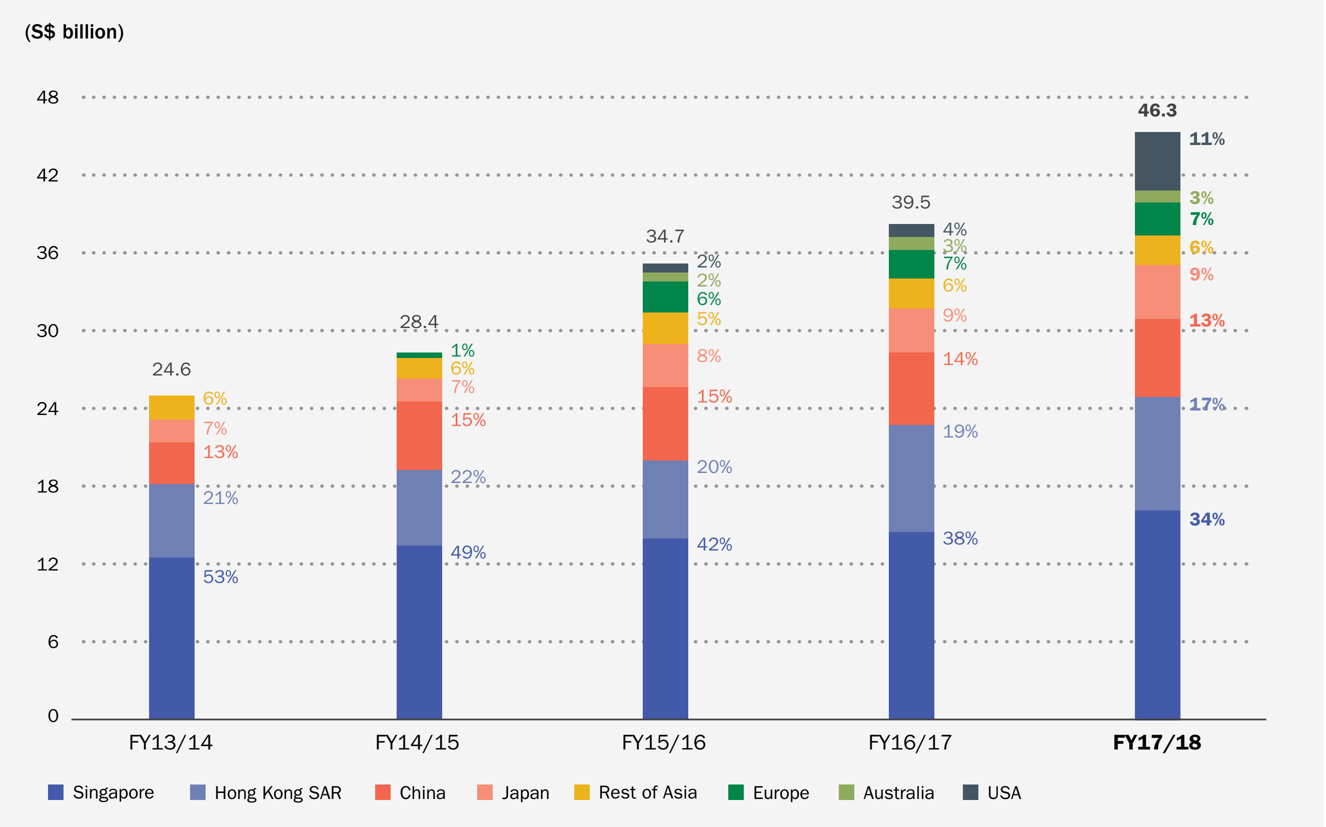
TOTAL OWNED AND MANAGED REAL ESTATE ASSETS BY BU (%)



In line with the Group's strategy to grow new income streams beyond Asia, both EUSA and ANAO BUs have accelerated their growth and accounted for 42% of AUM as of 31 March 2018. ANAO BU was the largest BU by AUM, accounting for 27% of AUM. Singapore Commercial and Logistics BU continued to be the second and third largest BU by AUM respectively since FY15/16.

FINANCIAL REVIEW

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



To date, the Group owns and manages real estate assets across 12 economies. During the year, the Group further boosted its presence in the US, the UK, Australia, Japan, Hong Kong SAR and China markets mainly in the corporate housing/serviced apartment, data centre, logistics, office and student accommodation sectors. Mapletree's total owned and managed real estate assets in the US, Australia and Europe accounted for 21% of the Group's total AUM as compared to 14% a year ago. Regardless, Singapore remains predominant, with the largest proportion of assets at 34%.

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.
MGCCT	Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.
NAV CAGR	NAV CAGR is adjusted for dividends distributed to shareholder and calculated excluding non-controlling interests and perpetual securities and with NAV as of 31 March 2013 as starting base.
New Initiatives	New initiatives relate to acquisitions and developments completed in FY17/18.
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 FRS 39 Financial Instruments: Recognition and Measurement), unrealised gains or losses, inter-alia, pure revaluation gains or losses, negative goodwill and dilution gains or losses are not included.
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 gross 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 & FINANCIAL RESOURCES

FINANCIAL MARKET REVIEW

Global economic activity strengthened in 2017, across the developed and emerging economies which led stock markets to rally and commodity prices to recover. Geopolitical tensions and threats of increased protectionism however, could potentially derail the positive near-term growth prospects.

The Singapore economy expanded 3.6% in 2017, mainly due to strong growth in the manufacturing sector. The Monetary Authority of Singapore has, in April 2018, adopted a modest and gradual appreciation path of the Singapore dollar to ensure medium term price stability. China's economy rebounded with a 6.9% growth in 2017 from a 26-year low in 2016 due to stronger global trade that boosted exports but may face headwinds as it continues with the structural change from its debt-heavy investment model. The United States (US) economy grew 2.3% for the year and is expected to rise further in 2018, backed by the recently approved US tax policy changes. The US Federal Reserve raised rates by 0.25% in March 2018 (the fourth rate increase from March 2017), referencing the improving economy and labour market. There was one rate hike in the United Kingdom (UK) during the year, while most other central banks (including Eurozone, Japan and Australia) 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 to support its working capital requirements, capital expenditure and investment needs. This enables Mapletree to capitalise on any opportunity that may arise to grow its business. 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	1,267
Undrawn Banking Facilities	8,608
Total	**9,875**
Issue Capacity under Euro/Medium Term Note Programmes	**11,243**

As at 31 March 2018, total cash reserves and unutilised banking facilities amounted to S$9,875 million.

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

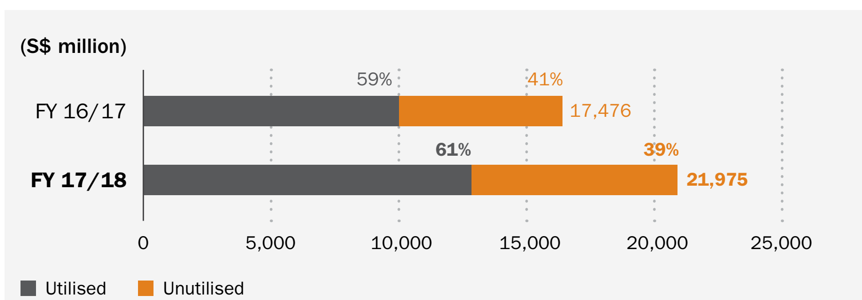
- Mapletree Treasury Services Limited (MTSL) raised S$700 million 3.95% perpetual securities in May 2017 to redeem the S$600 million 5.125% perpetual securities on its call date of 25 July 2017 and for general corporate purposes.
- In August 2017, MTSL raised a further S$300 million 2.85% 8-year fixed rate notes for general corporate purposes.
- Mapletree Logistics Trust (MLT) established a new S$3 billion Euro Medium Term Note Programme in July 2017 and issued S$180 million 3.65% perpetual securities. The proceeds were used for partial redemption of the S$350 million 5.375% perpetual securities on its call date of 19 September 2017.
- Mapletree Commercial Trust issued S$100 million 3.045% 10-year fixed rate notes in August 2017 and S$120 million 3.28% 6.5-year fixed rate notes in March 2018. Proceeds from both issuances were used to refinance existing borrowings.

DEBT AND GEARING

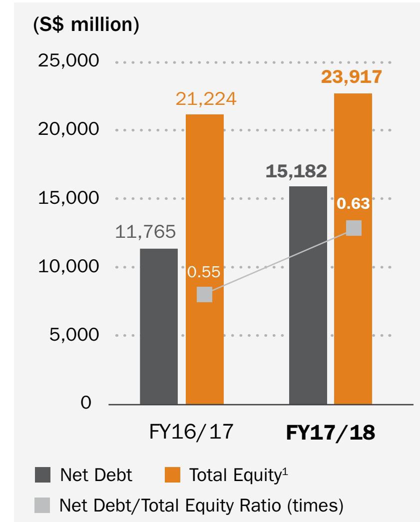
As at 31 March 2018, the Group's net debt was S$15,182 million compared to S$11,765 million as at 31 March 2017. Net Debt/Total Equity Ratio increased to 0.63 times from 0.55 times a year ago and Total Debt/Total Assets Ratio increased to 0.39 times from 0.36 times during the same period. The increase in debt was primarily due to the acquisitions of investment properties in the US (adding new asset classes of multi-family housing, data centre and office), Australia (expanding into offices in Melbourne and Adelaide) and the UK; and also the Group's growth of its logistics development portfolio in China.

In October 2017, the Group divested Mapletree Logistics Hub Tsing Yi in Hong Kong SAR to MLT. This allowed the Group to recycle gross proceeds of approximately S$835 million.

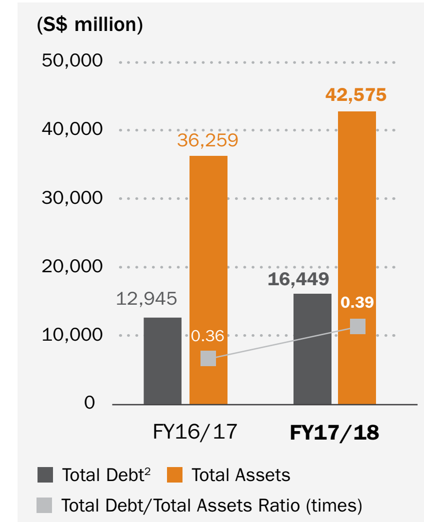
BANK FACILITIES AVAILABILITY AND UTILISATION



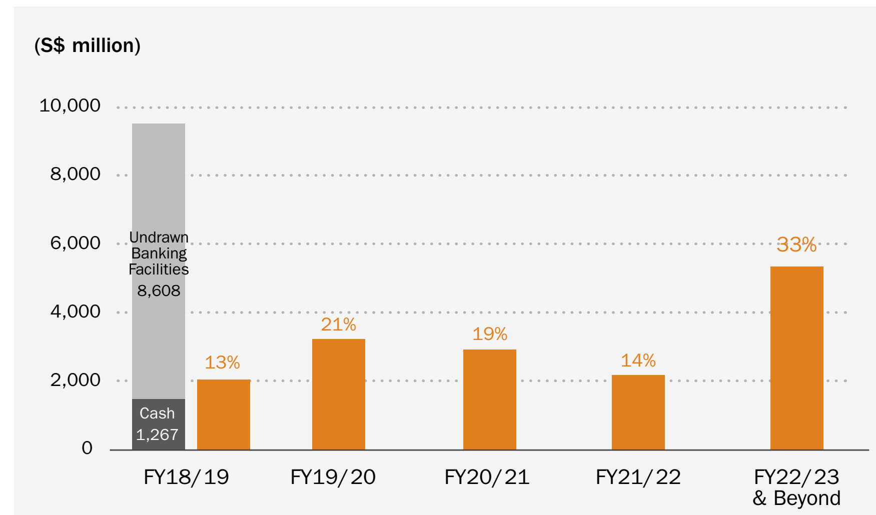
NET DEBT/TOTAL EQUITY



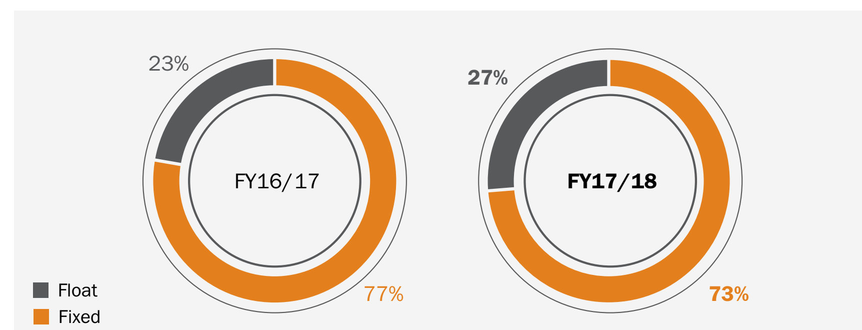
TOTAL DEBT/TOTAL ASSETS



MATURITY PROFILE AS AT 31 MARCH 2018



FIXED VS FLOAT



	As at 31 March 2017 S$ million	As at 31 March 2018 S$ million
Total Debt[2]	12,945	16,449
Cash	1,180	1,267
Net Debt	11,765	15,182

As at 31 March 2018, about 99% of the Group's debt was from committed banking facilities and medium to long-term bond issuance. The balance 1% was funded by short-term banking facilities to facilitate repayment flexibility arising from cash flows from operations and/or other activities.

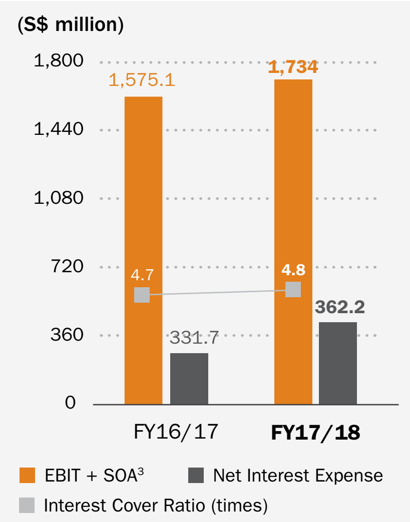
The Group makes a conscious effort to diversify its funding sources and spread its debt maturity profile to align with its cash flow plans, and also to reduce refinancing risks. The average life of its existing gross debt portfolio was 3.2 years as at 31 March 2018 compared to 3.3 years a year ago. The 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 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.

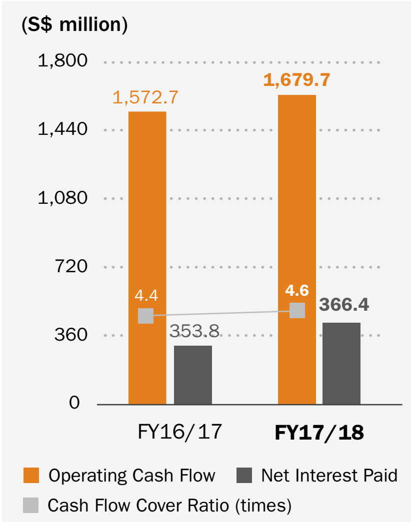
The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings as part of its liability management strategy. Where necessary, the Group uses derivative financial instruments to hedge its interest rate risks. Fixed rate borrowings made up 73% of the Group's total gross debt with the balance from floating rate 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.

CORPORATE LIQUIDITY & FINANCIAL RESOURCES

INTEREST COVER RATIO



CASH FLOW COVER RATIO



In FY17/18, the Group's interest cover ratio and cash flow cover ratio (including finance costs capitalised) improved to 4.8 times (FY16/17: 4.7 times) and 4.6 times (FY16/17: 4.4 times) respectively.

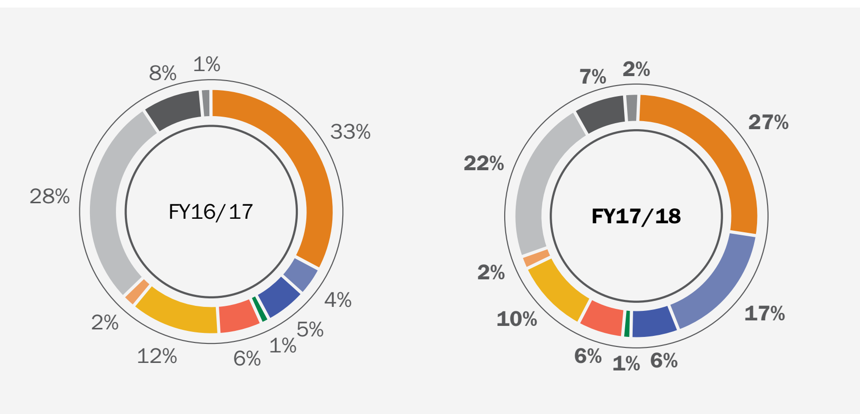
ASSET-LIABILITY MANAGEMENT

Where feasible, the Group adopts a natural hedge policy to mitigate exposure to foreign exchange rate risks. As at 31 March 2018, 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.

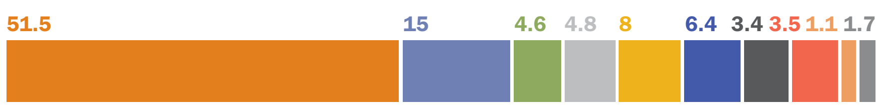
The listed REITs have their own Board and Board Committees. The respective management companies of the REITs, guided by their Board and Board Committees, manage their own capital and treasury positions, including asset-liability management, taking into account, inter alia, their strategies and returns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

Outside of the REITs, the Group seeks to minimise foreign exchange exposure by closely matching its assets and liabilities by currency. Below is an analysis of the asset-liability breakdown by currency excluding the consolidation of the REITs as at 31 March 2018.

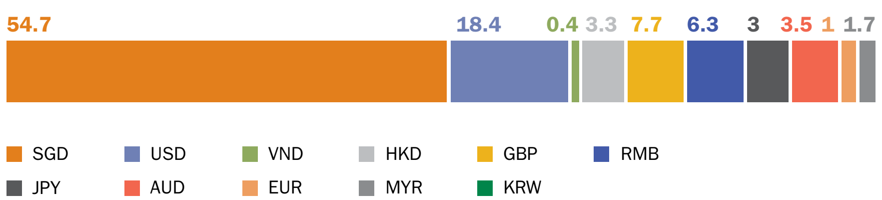
DEBT PROFILE (CURRENCY BREAKDOWN)



ASSETS (%)



LIABILITIES[4] & EQUITY (%)



1 Comprising shareholder's funds, perpetual securities and non-controlling interests.
2 Loans from non-controlling interests of subsidiaries have been excluded from the analysis.
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 Adjusted for foreign exchange swaps and cross currency interest rate swaps.

AWARDS AND ACCOLADES

INVESTMENT & CAPITAL MANAGEMENT

Best Foreign Real Estate Enterprises 2018 – Ranked 9th Place
Guandian.cn, China
Mapletree Investments Pte Ltd

Top 100 Real Estate Investment Managers 2017 – Ranked 37th Place
IPE Real Assets
Mapletree Investments Pte Ltd

Singapore Corporate Awards 2017 – Best Investor Relations in the REITs & Business Trusts (Bronze)
Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times
Mapletree Greater China Commercial Trust Management Ltd[1]

BUILDING EXCELLENCE

Golden Investment Value Property Award 2017
Southern Metropolis Daily, China
South Station Enterprise City

International Federation of Landscape Architects Asia-Pacific Landscape Architecture Awards 2017 – Parks and Open Space Category – Award of Excellence
International Federation of Landscape Architects
Mapletree Business City II

PropertyGuru Vietnam Property Awards 2017 – Best Office Development
PropertyGuru
Mapletree Business Centre

Property Excellence in Quality and Value 2017
Ningbo Evening News, Dong Nan Shang Bao and Ningbo Daily Group, China
Viva Costa

BUSINESS SUSTAINABILITY

Outstanding Organisation for Guicheng Poverty Alleviation 2017
Guicheng Charity, Nanhai District of Foshan, China
Mapletree Investments Pte Ltd

Outstanding Organisation of Foshan Charity 2017
Foshan Charity and Foshan Media Group, China
Mapletree Investments Pte Ltd

Patron of the Arts 2016-2017
National Arts Council, Singapore
Mapletree Investments Pte Ltd

Green Mark GoldPlus Award 2018
Building and Construction Authority, Singapore
The Strategy

LEED[2] BD+C 2018: Core and Shell Gold Level
U.S. Green Building Council
Mapletree Business City II

Biodiversity Benchmark Award 2016-2017
Wildlife Trust, United Kingdom
Green Park

Building Environmental Assessment Method (BEAM Plus EB V1.2) 2017 – Final Platinum Rating
Hong Kong Green Building Council
Festival Walk

Green Mark Platinum Award 2017
Building and Construction Authority, Singapore
HarbourFront Centre

LEED[2] BD+C 2017: Core and Shell Gold Level
U.S. Green Building Council
Mapletree Logistics Hub Tsing Yi

LEED[2] Gold Award 2017
U.S. Green Building Council
26A Ayer Rajah Crescent
STT Tai Seng 1

Water Efficient Building Certification 2017
Public Utilities Board, Singapore
19 Changi South Street 1
Woodlands Central

RETAIL & SERVICE EXPERIENCE

Altair Global Supplier Partner Awards 2017 – All-Star Award for Corporate Housing Services
Altair Global
Oakwood Worldwide

Certificate of Excellence 2017
TripAdvisor
VivoCity

Elite 1% ORA Properties 2017
J Turner Research
Denizen

International Business Awards 2017 – Marketing Campaign of the Year-Real Estate – Gold Stevie® Award
The Stevie® Awards
Festival Walk

The China Shopping Mall Summit Forum 2017 – Golden Censer Prize – Best Shopping Mall Experience
Winshang.com, China
VivoCity Shanghai

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.
2 LEED refers to Leadership in Energy and Environmental Design.

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

Sandhill Plaza
Business Park, Shanghai, China

FURTHER AND FURTHER

SCALING NEW HEIGHTS THROUGH OUR DYNAMIC BUSINESS PORTFOLIO

Mapletree owns and manages real estate assets across 12 economies. The Group grew its total assets under management (AUM) by 17% from S$39.5 billion to S$46.3 billion in FY17/18. Asia accounted for 79% of the Group's AUM while our expansion into the developed markets in the US, Europe and Australia account for S$9.6 billion or 21% of our AUM. The Group's four REITs and six private funds have a combined AUM of over S$31 billion.

79%

Core Asia AUM	
Singapore	S$15,841.6m
Hong Kong SAR	S$8,094.8m
China	S$5,869.8m
Japan	S$4,252.2m
Vietnam	S$1,296m
Malaysia	S$664.1m
South Korea	S$414.5m
India	S$263.7m

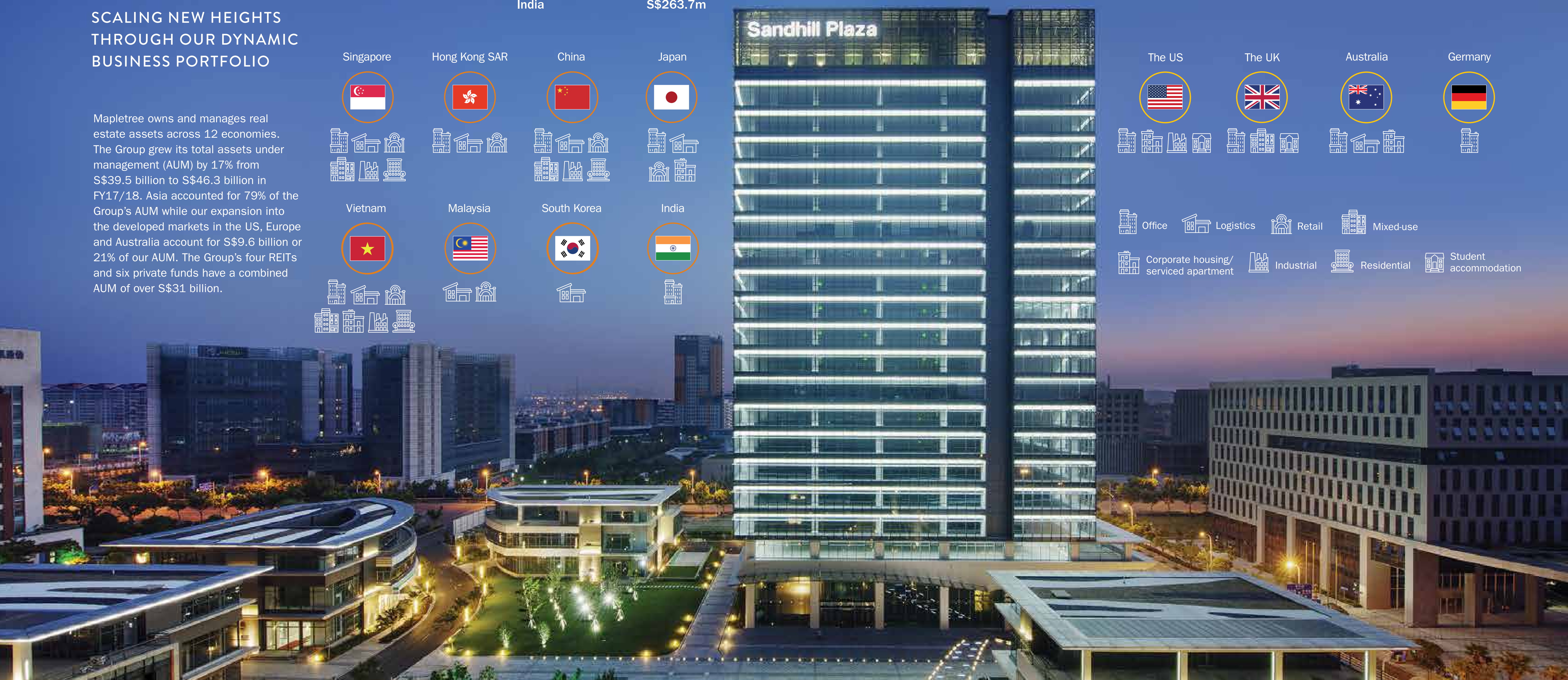
21%

New Markets AUM	
The United States (US)	S$4,985m
The United Kingdom (UK)	S$2,857.8m
Australia	S$1,474.1m
Germany	S$275.8m

Singapore · Hong Kong SAR · China · Japan · Vietnam · Malaysia · South Korea · India

The US · The UK · Australia · Germany

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



OPERATIONS REVIEW
SINGAPORE COMMERCIAL

Mapletree's Singapore Commercial business unit oversees a portfolio of commercial real estate assets in Singapore. Some of these are held directly by the Group while others are held under Mapletree Commercial Trust (MCT), a Singapore-listed real estate investment trust (REIT).

As at 31 March 2018, the business unit owned and managed about S$10.12 billion in assets. It contributed S$362.9 million and S$58.8 million to the Group's EBIT + SOA[1] and fee income[2] respectively in FY17/18.

Wind Sculpture I (2013) by Yinka Shonibare is one of the art installations displayed around MBC II, as part of a collaboration between Mapletree and NTU CCA Singapore

ASSETS HELD DIRECTLY

Mapletree 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

MBC II garnered several new awards in FY17/18, including the Award of Excellence (Park and Open Space Category) Landscape Design from the International Federation of Landscape Architects, Leadership in Energy and Environment Design for Core and Shell Development Gold Level Certification – Environmental Sustainability from the U.S. Green Building Council, and the Building and Construction Authority of Singapore (BCA) Universal Design Mark Platinum Award.

In addition to the lush greenery, artworks were specially curated in collaboration with the NTU Centre for Contemporary Art Singapore (NTU CCA Singapore) and introduced at MBC II. These add to the new sensory experience for the community and visitors. The art installations include Elliptical Pavillion (2017) by Dan Graham, Stillness in Motion – 3 Airborne Self-Assemblies (2017) by Tomás Saraceno and Wind Sculpture I (2013) by Yinka Shonibare – all celebrated international artists who have exhibited worldwide in major arts events.

The art trail begins at the Fullerton Lighthouse, located at the entrance of MBC II. The artefact was specially restored and now sits as an elevated exhibit at the entrance of MBC II, welcoming visitors into the business park. A Merryweather Fire Engine, which is one of two Merryweather vehicles found in Singapore, was also refurbished and is now displayed at the mezzanine level at 60 MBC. These artworks complement the eight existing art pieces at MBC I, making the precinct an attraction for art enthusiasts.

Similar to MBC II, 18 Tai Seng has reached stabilised occupancy. The opening of the underground pedestrian link to Tai Seng MRT station has improved connectivity to the building.

Following the asset enhancement of HarbourFront Centre at the HarbourFront Precinct, asset enhancement works to HarbourFront Tower One and HarbourFront Tower Two were subsequently completed during the year. Besides an exclusive direct vehicular drop-off, the revamped contemporary landscape and lobby design greatly enhances the arrival experience for tenants and visitors.

As part of our sustainability efforts, the portfolio also saw HarbourFront Centre achieve its BCA Green Mark Platinum Award recertification in FY17/18.

MAPLETREE COMMERCIAL TRUST

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)

Since its listing on 27 April 2011, MCT has delivered robust returns to investors. MCT's market capitalisation has increased from S$1.6 billion at listing date to S$4.5 billion as at 31 March 2018. Including distributions paid out since listing, the total return to unitholders was 138.5%. For FY17/18, MCT delivered total shareholder returns of 8.5%.

In FY17/18, part of the Tangs department store area of VivoCity was converted to higher yielding space for expanding tenants as well as new-to-mall brands such as Massimo Dutti and Calvin Klein Jeans. The four kiosks on basement level 2 (opposite Exit E of the subway station) were redesigned to improve line of sight. The affected areas were fully operational by July 2017.

VivoCity embarked on its fourth asset enhancement initiative (AEI) in FY17/18. This involved the conversion of about 3,000 square metres (sqm) of floor area on Level 3 into a public library under the Community/Sports Facility Scheme (CSFS). Bonus gross floor area granted under the CSFS would extend and transform basement level 1 into a full-fledged retail floor. Another highlight of this AEI was the addition of a set of escalators that will considerably enhance vertical connectivity and mobility within the mall.

To strengthen the mall's positioning as a family-centric lifestyle destination, VivoCity's Kids Club was launched in June 2017. The 12,000 Kids Club members who have joined the club to date have been treated to specially curated events such as a Halloween party, a movie screening and a hands-on tote bag design workshop.

Exciting retail concepts were also introduced into VivoCity throughout the year. A notable example is Timezone which has relocated from Level 3 to Level 2 of the mall and expanded about 80% in size. This new flagship arcade offers close to 1,100 sqm of amusement and entertainment space featuring bowling alleys, bumper cars as well as a party room, and has started operating in January 2018.

Spanish fashion giant, Zara, is another existing tenant that has picked VivoCity to establish its largest concept store in Singapore. The store reopened in May 2018 and carries Zara's complete collections for women, men and kids.

MCT's office/business park assets have maintained healthy occupancy rates during the year. MBC I secured a replacement tenant for the pre-terminated space and closed the year with a high occupancy of 99.4%.

PSAB maintained healthy committed occupancy of 98.7%, having secured tenants from lower-risk sectors such as government agencies. At Mapletree Anson, a long-term lease was secured with a major international co-working operator for one floor. As at 31 March 2018, the committed occupancy was 100%.

Meanwhile, the lease at MLHF was renewed and restructured for Level 1 to Level 5 with effect from January 2017. Level 6 of MLHF had since been filled up by two major multinational corporations. MLHF, back to full occupancy, will continue to deliver stable returns.

MARKET REVIEW AND OUTLOOK

According to the Ministry of Trade and Industry's advanced gross domestic product estimates, the Singapore economy grew by 4.3% year-on-year in Q1 2018, higher than the 3.6% growth of the previous quarter. Growth is projected to be between 1.5% and 3.5% in 2018.

The strengthening economic outlook, job market and growth in tourist arrivals have renewed optimism in the retail sector. Orchard Road prime rents recorded its

VivoCity embarked on its fourth AEI and launched Kids Club to strengthen its positioning as a family-centric lifestyle destination

first increase in Q1 2018 after twelve quarters of decline. Moving forward, the retail market is expected to benefit from stronger economic fundamentals.

In the office market, Grade A Core central business district and Grade B islandwide rents rose 3.2% and 1.4% quarter-on-quarter respectively. The continued leasing momentum together with the tapering of near-term supply bodes well for the market and lend support to the office recovery in the medium term.

The divergence between the two tiers of business park market continues to increase. Modern business parks in the City Fringe submarket should see rental growth as vacancy tightens on the back of higher demand. Comparatively, 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 Includes REIT management fees.

References:

i. Ministry of Trade and Industry, Singapore
ii. URA/JTC REALIS
iii. CBRE Marketview Q1 2018

OPERATIONS REVIEW
INDUSTRIAL

The Industrial business unit manages a diverse portfolio of 85 industrial properties in Singapore and 14 data centres in the United States (US). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

As at 31 March 2018, the business unit's assets under management was S$4.32 billion. In FY17/18, it contributed S$282 million to Mapletree's EBIT + SOA[1], and S$54.2 million to fee income[2].

The properties are held by the Singapore-listed real estate investment trust (REIT), Mapletree Industrial Trust (MIT). 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.

1 and 1A Depot Close is a BTS development for HP with a GFA of over 76,600 sqm. The project was awarded the BCA Green Mark Platinum Award

DELIVERING SUSTAINABLE RETURNS

MIT continued to deliver healthy returns in FY17/18. Distributable income for FY17/18 was S$215.8 million, a 5.3% increase from S$205 million achieved in FY16/17. Distribution per unit (DPU) of 11.75 cents for FY17/18 was 3.2% higher than the DPU of 11.39 cents for FY16/17. This was attributable to income from the build-to-suit (BTS) project for HP Singapore (Private) Limited (HP), pre-termination compensation from Johnson & Johnson Pte Ltd, and contribution from MIT's 40% interest in the portfolio of 14 data centres in the US. These were partially offset by the decrease in average portfolio occupancy, from 92.4% in FY16/17 to 89.6% in FY17/18.

MIT has a healthy balance sheet with a weighted average all-in funding cost of 2.9% in FY17/18. About 85% of MIT's gross borrowings have been hedged through interest rate swaps and fixed rate borrowings, minimising the impact of interest rate fluctuations on distributions. MIT's aggregate leverage of 33.1%[3] as at 31 March 2018 will provide sufficient headroom for future investment opportunities.

EXPANDING INVESTMENT STRATEGY

On 20 December 2017, MIT completed the acquisition of its first overseas portfolio of 14 data centres in the US for a purchase consideration of approximately US$750 million (~S$1,020 million) through a 40:60 joint venture formed with its Sponsor, Mapletree Investments Pte Ltd. The acquisition was part-financed by a private placement on 24 October 2017, which successfully raised gross proceeds of S$155.7 million.

Strategically located in established data centre markets across the US, the properties are on freehold land[4] with a total net lettable area (NLA) of about 209,200 square metres (sqm) and are leased to high-quality tenants from diverse industries such as telecommunications, information technology and financial services. The properties are primarily core-and-shell data centres on triple net leases whereby tenants bear all outgoings, minimising leasing and operating risks. The acquisition is in line with MIT's expanded strategy to acquire data centres worldwide and broaden MIT's presence in this growing sector. MIT has the right of first refusal to acquire the 60% interest held by its Sponsor.

GROWING THE HI-TECH BUILDINGS SEGMENT

MIT completed its first redevelopment project of a Flatted Factory Cluster into a BTS development for HP at 1 and 1A Depot Close. Phase One, comprising an 11-storey Hi-Tech Building, was completed on 21 October 2016, while Phase Two, an eight-storey Hi-Tech Building, was completed on 22 June 2017. The S$226 million development is fully leased to HP for an initial term of 10.5 years with annual rental escalations. With a total gross floor area (GFA) of over 76,600 sqm, the high-specification buildings include facilities for manufacturing, product and software development, customer service and an office. The development was awarded the Green Mark Platinum Award by the Building and Construction Authority (BCA).

On 13 February 2018, MIT completed the S$77 million asset enhancement initiative at 30A Kallang Place and improvement works at the existing buildings in the Kallang Basin 4 Cluster, adding about 31,200 sqm of GFA. The cluster is strategically located close to the Kallang iPark, an emerging industrial hub for high value-add and knowledge-based businesses. Leasing interest for the new 14-storey Hi-Tech Building has been positive, with commitment secured for 40.2% of the total NLA. 30A Kallang Place was awarded the BCA Green Mark Gold Award for New Non-Residential Buildings.

PROACTIVE ASSET MANAGEMENT

In line with the REIT manager's strategy of proactively managing assets to add value to the portfolio, MIT successfully divested 65 Tech Park Crescent for approximately S$17.688 million on 20 July 2017. The sale price was 34% higher than MIT's acquisition price of S$13.2 million.

MARKET REVIEW AND OUTLOOK

According to the Ministry of Trade and Industry, the Singapore economy grew by 4.4% on a year-on-year basis (y-o-y) in the first quarter of 2018 (Q1 2018), higher than the previous quarter's 3.6% growth. The manufacturing sector grew by 9.8% on a y-o-y basis in Q1 2018, extending the 4.8% growth in the previous quarter. Growth in manufacturing was mainly driven by the electronics, precision engineering and chemical clusters.

The median rental rate for multi-user factory space islandwide dropped to S$1.76 per square feet (sq ft) per month (psf/mth) in Q1 2018, from S$1.80 psf/mth in the preceding quarter. For business park space, the islandwide median rental rate increased to S$4.30 psf/mth in Q1 2018 from S$4.09 psf/mth in the preceding quarter.

The wider economy and business sentiments of the small and medium enterprises in Singapore have been improving. Despite the positive outlook, threats to free trade and geopolitical tensions continue to threaten the growth momentum. In addition, the impending large supply of competing industrial space will exert pressure on both occupancy and rental rates. MIT will continue to focus on tenant retention to maintain a stable portfolio occupancy.

According to 451 Research, LLC, the growth of data and content as well as mobile services and the adoption of cloud services will continue to drive the demand for data centre space. The demand for edge data centres is also rising to meet the growing need for data to be stored close to its end users due to latency requirements. The supply of multi-tenant data centres in the US (in net operational sq ft) will grow by 8.8% while the demand will grow by 13.4% in 2018. This will underpin the stability of revenue contribution from the US portfolio.

MIT completed the acquisition of its first overseas portfolio of 14 data centres in the US for approximately US$750 million (~S$1,020 million) through a 40:60 joint venture with Mapletree Investments. The properties are sited on freehold land with a total NLA of about 209,200 sqm and an average occupancy of 97.4%. 7337 Trade Street, San Diego, is the largest data centre in the acquisition portfolio with a NLA of 46,300 sqm

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 In accordance with Property Funds Guidelines, the aggregate leverage ratio includes the proportionate share of borrowings of the joint venture and deposited property values.
4 All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree, which has a remaining land lease tenure of about 37.7 years as at 31 March 2018 with the option to renew for 40 years.

References:
i. URA/JTC Realis, 26 April 2018
ii. 451 Research, LLC, March 2018

OPERATIONS REVIEW
LOGISTICS

The Logistics business unit manages a portfolio of 124 logistics assets held by the Singapore-listed real estate investment trust, Mapletree Logistics Trust (MLT), as well as development projects in China, Hong Kong SAR, Japan, Malaysia and Vietnam under MLT's sponsor, Mapletree Investments Pte Ltd (Mapletree).

As at 31 March 2018, the portfolio of the business unit was valued at S$8.35 billion. The business unit's EBIT + SOA[1] for FY17/18 was S$348.7 million and fee income[2] was S$55.7 million.

The redevelopment of Mapletree Pioneer Logistics Hub (formerly known as 76 Pioneer Road) was completed in November 2017, increasing its GFA by 1.8 times to 72,000 sqm

MAPLETREE LOGISTICS TRUST

Amid a pickup in global economic activity and improved sentiment in Asia-Pacific, MLT continued its growth momentum to deliver a set of improved results in FY17/18. Gross revenue increased 5.9% year-on-year (y-o-y) to S$395.2 million, while net property income rose 6.9% to S$333.8 million. The amount distributable to unitholders rose 14.4% to S$212.9 million while distribution per unit gained 2.4% to 7.62 cents.

MLT's robust performance was driven by organic growth from its existing portfolio, yield-accretive acquisitions and initial contribution from a newly completed redevelopment in Singapore. As a result of its active lease management and marketing efforts, MLT achieved a higher occupancy rate of 96.6% as at 31 March 2018, with a weighted lease expiry (by net lettable area) of about 3.5 years.

MLT's continued growth is supported by a disciplined and prudent approach towards capital management. As a result of proactive capital management, all refinancing requirements for FY18/19 have been completed, while the average weighted debt maturity was extended to 4.5 years. Aggregate leverage stood at 37.7% as at end-FY17/18.

During the year, MLT launched an equity fundraising exercise, raising a total of S$640 million. The proceeds were deployed to partially fund the acquisition of Mapletree Logistics Hub Tsing Yi (MLHTY) and the partial redemption of S$350 million perpetual securities issued in 2012 with a coupon rate of 5.375%. MLT also issued S$180 million in perpetual securities at a lower coupon rate of 3.65% to partially finance the redemption of the 2012 perpetual securities.

BOLSTERING PRESENCE IN HIGH-GROWTH MARKETS THROUGH ACQUISITIONS

MLT also expanded its presence in Hong Kong SAR, an attractive logistics market, with two acquisitions of quality assets. In October 2017, MLT acquired MLHTY from its Sponsor at HK$4.8 billion (~S$834.8 million). With its strategic location and modern specifications, the property enjoys 100% occupancy and is Leadership in Energy and Environmental Design Gold certified. Following this acquisition, Hong Kong SAR became the second largest income contributor to MLT.

In January 2018, MLT acquired the remaining 38% in strata share value of Shatin No. 3 for HK$610 million (~S$103.7million). Located in a well-established logistics micro market and the second largest warehouse market in Hong Kong SAR, Shatin No. 3 has been in MLT's portfolio since 2006 and boasts a consistently strong operating performance. With full ownership, MLT now has the flexibility to add value to the property through active asset management including refurbishment and asset repositioning.

UNLOCKING VALUE THROUGH PROACTIVE ASSET MANAGEMENT

The rejuvenation of assets through redevelopment or asset enhancement remains an integral part of MLT's strategy. In November 2017, MLT completed the redevelopment of Mapletree Pioneer Logistics Hub (formerly known as 76 Pioneer Road) in Singapore at an estimated total cost of S$90 million. The five-storey ramp-up facility with modern specifications has a gross floor area (GFA) of 72,000 square metres (sqm), representing an increase of 1.8 times. MLT also embarked on the redevelopment of Ouluo Logistics Centre, China. To be executed in two phases at an estimated cost of S$70 million, the modern two-storey ramp-up logistics facility will offer approximately 80,700 sqm of prime logistics space, an increase of 2.4 times. The first phase commenced in May 2017 and is scheduled for completion by Q2 FY18/19, while the second phase will commence in October 2018.

Zama Centre and Shiroshi Centre in Japan, 4 Toh Tuck Link in Singapore and Senai-UPS in Malaysia were divested during FY17/18 for a total consideration of approximately S$189.1 million.

SCALING UP THROUGH LOGISTICS DEVELOPMENT

Mapletree actively develops logistics parks and facilities across Asia. In FY17/18, Mapletree completed eight development projects in China and two in Malaysia, with a combined GFA of 1 million sqm. Mapletree also secured another 12 logistics development projects in China and commenced construction of Mapletree Logistics Park Binh Duong Phase 3 in Vietnam. These projects have a combined GFA of 1.1 million sqm.

This brings the number of logistics developments that Mapletree manages to 51, with a combined GFA of approximately 4.8 million sqm. 22 of these developments are currently undergoing construction. When completed and stabilised, and in the event that the Sponsor divests these projects, they will be offered to MLT for acquisition.

Mapletree completed the divestment of MLHTY to MLT for HK$4.8 billion (~S$834.8 million) in October 2017

MARKET REVIEW AND OUTLOOK

Asia's economic outlook remains positive as global economic activity continues to strengthen, with the International Monetary Fund projecting a global growth rate of 3.9% in 2018. However, possible escalations in trade tensions and faster-than-expected increases in interest rates may temper growth.

Demand for prime logistics facilities in Asia-Pacific remains healthy, largely supported by rising consumption and robust e-commerce growth. While supply-side pressure is likely to prevail in Singapore in the short term, Hong Kong SAR remains a strong market for MLT due to sustained demand and limited supply. Additionally, MLT's portfolios in Japan and Australia will continue to provide stable cash flows given their long leases and 100% occupancy rates.

Mapletree will continue to pursue opportunities for greenfield developments especially in markets where quality logistics facilities are limited; asset enhancements to drive organic growth; and yield-accretive acquisitions. Active lease and asset management remains a key strategy to optimise portfolio returns. This will be accompanied by a disciplined capital management approach to mitigate the impact of interest rate and foreign exchange volatilities.

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

References:

i. International Monetary Fund
ii. CBRE – Asia Industrial & Logistics Market Intel Magazine 2017

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 2018, the business units accounted for S$2.59 billion of the Group's total assets under management. In FY17/18, the business units' combined EBIT + SOA[1] was S$90.8 million, while fee income contributions were S$40.1 million.

VivoCity Shanghai, an award-winning five-storey shopping mall that features more than 280 shops, officially opened in May 2017

CHINA

VivoCity Shanghai, a five-storey mall spanning a gross floor area (GFA) of approximately 120,000 square metres (sqm), opened in May 2017. Featuring more than 280 shops with an almost fully committed occupancy of 95%, VivoCity Shanghai has garnered multiple awards since opening, including Best Sky Park in Shanghai. In September 2017, three office towers with a combined GFA of 100,000 sqm in Phase 3 of Mapletree Business City Shanghai were issued their occupancy permits. In total, over 150,000 sqm of the completed office component will be managed by Mapletree.

The framework of 13 residential buildings along with the street shops in Phase 1 of Mapletree Ningbo Mixed-Use Development was completed in May 2017. Presales of the residential component started in July 2016, and a bulk of the 400 units launched were sold by the end of FY17/18. Construction of the retail mall in Phase 2 and medical centre in Phase 3 commenced in the first half of 2017, with the piling work concluded at end March 2018.

In Foshan's Nanhai district, the construction of Nanhai Business City Phase 4 (NBC 4) continued in FY17/18. The superstructure for NBC 4 Phase 2 was completed and all 12 blocks had been topped out, with about 1,300 residential units scheduled to be launched progressively from the second quarter of 2018. As at 31 December 2017, more than 1,300 residential units in NBC 4 Phase 1 were handed over and the South China Singapore City International Education Zone is fully operational. NBC Phase 1's retail component, VivoCity Nanhai, has achieved 97% occupancy. In addition, the construction of Phase 1A of South Station Enterprise City, comprising six offices and six shophouse blocks with a total GFA of 110,000 sqm mainly for strata sales, was completed with the occupancy permit issued in April 2017.

INDIA

With the completion of Global Technology Park (GTP), Mapletree's first property in India offers a total net lettable area of 172,798.2 sqm. Block C, a standalone building, has been operational since 2010. Phase 1, comprising two office towers (Towers A and B), was completed in April 2015 and currently has a 100% renewal rate for leases expiring to date. Phase 2, comprising two office towers (Towers D and E), obtained its occupancy certificate two months ahead of schedule, in October 2017. All operational office space in GTP is fully occupied.

As part of Mapletree's commitment towards environment and sustainability through active asset management efforts, GTP taps on green power for 50% of its power consumption needs, at a rate which is 30% lower than the current electricity tariffs. Additionally, the park is now connected to Municipal water sources which provide quality water. Our various efforts and improvements have resulted in higher customer satisfaction thus resulting in 100% of existing tenants renewing their leases on expiry.

MARKET REVIEW AND OUTLOOK

China

China's economy grew by 6.9% in 2017 on the back of stronger consumer spending. Over the past 10 years, e-commerce retail sales have been steadily increasing by 67% per annum on average. On a year-on-year (y-o-y) basis, e-commerce retail sales grew by 34% over the first nine months of 2017. As a result, leased industrial and logistics spaces are in high demand by e-commerce and third-party logistics companies, accelerating the activities and transactions in China's property market.

Office space demand in China totalled 6 million sqm in 2017, mainly driven by the finance and technology, media and telecommunications (TMT) industries, as well as the rapid growing co-working sector. Office demand from the FinTech industry grew by 7.2% y-o-y, resulting in robust office leasing activity. Tier 1 and 2 cities such as Beijing, Shanghai, Shenzhen and Hangzhou will benefit the most from this as they are home to 85 of the top 100 FinTech companies in China.

Going forward, the office property market in Tier 1 cities is expected to hold up well as the service sector expands, underpinned by the consumption-led economy. The thriving TMT sector, for instance, will likely drive office demand in 2018. It also became the second largest occupier nationwide, behind the finance sector. Meanwhile, Tier 2 cities like Nanjing, Hangzhou, Wuhan and Chengdu have rolled out a slew of policies to attract and retain talents, including university graduates. This emerging trend will ameliorate the effects of overcrowding seen in Tier 1 cities and at the same time, create new business and investment opportunities for mixed-use developments.

India

India remains one of the fastest growing major economies in the world. According to the Government of India's Central Statistics Office, India's economy expanded 6.6% by FY17/18. The Asian Development Bank has also projected that India's economic growth is expected to hit 7.3% in FY18/19, owing to improved rural consumption while the debilitating effect of demonetisation and goods and services tax implementation dissipates. Economic growth is also expected to further increase to 7.6% in FY19/20.

India's retail inflation eased to a five-month low of 4.3% at the end of March 2018, and the Reserve Bank of India is expected to retain the key lending rates for the next few months before hiking rates by the end of 2018.

India's current account deficit (CAD) stood at 1.4% of gross domestic product for FY17/18, as compared to 0.7% in FY16/17. The expected CAD for FY18/19 is forecasted to be 1.8% which is within India's threshold of 2-2.2%.

GTP Phase 2 was fully completed in October 2017

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. Colliers International 2018 Asia Pacific Property Outlook - Asia

ii. CBRE 2018 Asia Pacific Real Estate Market Outlook – Greater China

iii. Central Statistics Office, Government of India

iv. Asian Development Bank

OPERATIONS REVIEW
EUROPE AND USA

Mapletree's Europe and USA (EUSA) business unit evaluates, acquires and manages a spectrum of real estate sectors spanning commercial (including business parks), logistics, student accommodation and data centre 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 and the United States (US).

With owned and managed assets of S$6.86 billion as at 31 March 2018, the business unit contributed S$191.2 million to the Group's EBIT + SOA[1], and S$12.1 million in fee income in FY17/18.

MGSA P-Trust invested in a portfolio of 35 student accommodation assets with more than 14,000 beds and some ancillary commercial units located in 22 university cities across the UK and the US in FY17/18. SkyVue Apartments is a 627-bed student accommodation located in the US

CAPITALISING ON RESILIENT STUDENT HOUSING SECTOR

In line with Mapletree's aim to build scalable capital management platforms, EUSA has closed Singapore's first trust focused on the resilient student housing sector, with an equity raise of US$535 million (~S$701.9 million) in March 2017.

The Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) is focused on investing in student accommodation assets in the United Kingdom (UK) and the US, aiming to generate stable and recurring income to deliver an attractive total return. Globally, student housing assets have performed exceptionally well in recent years, compared to traditional real estate asset classes, delivering consistent returns through economic downturns.

At its successful closing in March 2017, MGSA P-Trust had invested in a portfolio of 35 student accommodation assets with more than 14,000 beds and some ancillary commercial units located in 22 university cities across the UK and the US.

This significant position in the student accommodation sector was further bolstered with the acquisition of another portfolio of 3,751 student housing beds in the US and Canada in June 2017. The eight purpose-built student housing assets are well-located abutting university campuses, most of which are ranked as Tier 1. These well-designed assets, equipped with comprehensive facilities to cater to a diverse international student community, enjoy occupancy of more than 90%. Similarly, in the UK, Mapletree strengthened its presence with the acquisition of a 779-bed student accommodation property in Colchester. Located within walking distance of the University of Essex, the asset is popular among students and is at full occupancy.

In January 2018, Mapletree also successfully acquired evo at Cira Centre South, an 850-bed student housing asset located in Philadelphia, Pennsylvania, in the US. The asset is strategically located in proximity to highly ranked premier US colleges, drawing students from all over the country and the world.

INVESTING STRATEGICALLY IN THE US

Aside from student accommodation, Mapletree made other strategic acquisitions in the US during the year. Mapletree and Mapletree Industrial Trust formed a joint venture to acquire 14 data centres in the US, as part of the Group's strategy to enhance its foothold in this growing sector worldwide. Fuelled by the growth in consumer cloud storage, multi-device ownership and Internet usage, demand for this new asset class is being underpinned by large amounts of data generation, in turn sparking investor interest to build a footprint in primary and secondary markets. This acquisition was completed in December 2017, and the portfolio enjoys an average occupancy of 97.4%.

In the same month, Mapletree acquired its first office building in the US, 50 South Sixth in Minneapolis, Minnesota, for S$329.1 million. Prospects for office investments in central-city office regions in the US remain on global investors' radars as national occupancy remains high and absorption has sustained a positive trend, bolstering both central business district (CBD) and suburban markets. 50 South Sixth, located in the heart of Minneapolis' CBD, is a 29-storey Grade A office building with 3,107 square metres of retail space. Currently, the building is 93% occupied with tenants from diverse sectors including Finance, Food & Beverage as well as the Professional & Business Services industries.

Mapletree acquired its first 29-storey Grade A office building, 50 South Sixth, in the CBD of Minneapolis, US

MARKET REVIEW AND OUTLOOK

In the Eurozone, the improving macroeconomic outlook buoyed real estate investment in FY17/18. Analysts anticipate another year of robust investment activity in the European Union. Given growth forecasts in the range of 1.5% to 2%, major European markets are approaching full capacity. Alternative real estate types are therefore expected to become increasingly attractive, on a risk-adjusted basis. Concerns linger, however, over the economic impact of Brexit in 2018 and beyond.

Despite the relative slide in sentiment, growth in the UK has turned out to be more robust than forecasted immediately after the EU referendum. UK investment has subsequently registered a surge in transaction volumes. Returns have since surprised on the upside in 2017 and are expected to continue well into 2018.

Economic growth in the US is forecasted to be 2.4% in 2018. However, as the market exhibits minor supply-demand imbalances throughout the country, investors are expected to move into new geographies, with a greater focus on secondary markets, micro-sectors and alternative asset classes. The US logistics sector, in particular, presents the business unit with significant opportunities as the global supply chain business is increasingly driven by the need for global connectivity, changes in e-commerce business models and consumer behaviour.

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 2018 US Outlook
ii. JLL Investment Outlook, US
iii. ULI Emerging Trends in Real Estate 2018, Europe

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 growing the Oakwood business worldwide. The business unit also includes Mapletree Greater China Commercial Trust (MGCCT)[2] as well as two Japan-focused private equity funds, MJOF and MJLD.

With owned and managed assets of S$12.7 billion (excluding Oakwood) as at 31 March 2018, the business unit contributed S$385.5 million to the Group's EBIT + SOA[3], and S$80.7 million in fee income[4] in FY17/18.

Located in Hong Kong SAR, Mapletree Bay Point is the Group's first office development in this economy

AUSTRALIA

Mapletree made its first office acquisition in Melbourne with 417 St Kilda Road in June 2017. This was followed by the acquisition of 11 Waymouth Street in March 2018, an office tower in Adelaide's central business district (CBD).

HONG KONG SAR

Mapletree Bay Point was completed in March 2018. Its strategic location in Hong Kong SAR's second CBD and quality building specifications attracted a pre-leasing rate of 50% of multinational tenants from diverse sectors.

JAPAN

Mapletree's Japan-focused office fund, MJOF, owns 10 assets in Greater Tokyo and Yokohama, at a value of JPY 135,820 million (~S$1.67 million). Their occupancy rates were 95% as at 31 March 2018. MJOF's investment period ended in June 2017 and the fund is currently in the divestment mode. Separately, Mapletree acquired a six-storey building in Tokyo's Itabashi ward. The sole tenant is one of Japan's major electric utility companies.

Meanwhile, the logistics development fund MJLD has committed to 13 logistics facilities with a total value of JPY108,213 million (~S$1.33 million)[5].

Following the opening of Mapletree's Oakwood Apartments Azabudai, Tokyo, in May 2017, the Group continued to develop another 175-unit serviced apartment asset in Yokohama. Upon completion in early 2020, this will also be managed by Oakwood.

MGCCT[2]

MGCCT[2] reported a distribution per unit (DPU)[6] of 7.48 cents for FY17/18, 1.9% more than the 7.34 cents for FY16/17. This was mainly due to higher average rental rates from Festival Walk and Gateway Plaza, partially offset by higher property tax[7] for Gateway Plaza and lower average rates of the Hong Kong Dollar and Renminbi against the Singapore Dollar.

Festival Walk recorded rental reversions[8] of 11% (retail) and 11% (office) for FY17/18 leases, while Gateway Plaza and Sandhill Plaza posted 8% and 15% respectively. The portfolio achieved a high occupancy rate of 98.5% for the year ended 31 March 2018.

MGCCT's[2] investment mandate was broadened to include Japan from 15 February 2018.

On 28 March 2018[9], the Manager announced the proposed acquisition of six freehold office properties in Tokyo, Chiba and Yokohama. The transaction was approved by unitholders at an Extraordinary General Meeting[9] held on 24 April 2018.

MARKET REVIEW AND OUTLOOK

Australia

Demand for Australian office assets remained strong at the start of 2018, with rental growth in Sydney and Melbourne, and improving sentiments in other cities. Australian assets remain attractive to investors due to the stable Australian economy, and are likely to maintain favour with investors in 2018. Additionally, the search for higher income returns could see continued diversification into non-core markets in 2018.

Mapletree acquired its first office property in Melbourne, Australia – 417 St Kilda Road

Japan

For Tokyo, office demand is expected to remain firm in 2018 on the back of improved corporate performances. Demand for logistics space continues to increase, driven by e-commerce and automation which requires large-scale and modern facilities. In Greater Tokyo, overall vacancy for large multi-tenanted properties declined by 1.9% year-on-year to 4.9% in Q4 2017. Although significant supply is in the pipeline, this is expected to be absorbed well.

Greater China

For 2018, China has set a gross domestic product growth target of 6.5% as ongoing structural reforms continue. In Beijing, leasing demand remained strong at the end of 2017, but moderated by increased office supply in 2018. Demand for business park spaces in Shanghai is expected to remain stable.

Hong Kong SAR's economy is projected to grow by 3-4% in 2018. Supported by improved local consumer sentiment and rising tourist arrivals, retail sales are expected to improve. For offices, the decentralisation trend to the second CBD in Kowloon should continue in 2018 amid rising rents and low vacancy in the CBD.

1 Oakwood is mentioned in detail in the next section.
2 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.
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 Including REIT management fees.
5 Investment value includes a logistics property in Ichikawa which the fund has committed to but not yet invested in.
6 The full-year DPU is the sum of the first-half and second-half DPU paid to the unitholders for the financial year based on the number of issued units as at the end of the respective half-year periods.
7 The revised property tax is assessed at a tax rate of 12% of revenue with effect from 1 July 2016. It was previously assessed at a tax rate of 1.2% of 70% of the cost of property.
8 Rental reversion for each asset is computed based on the weighted average effective base rental rate for expired leases versus the weighted average effective base rental rate of leases that were renewed or re-let over the lease term.
9 Please refer to MGCCT's SGX-ST Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan".

References:

i. Knight Frank Research, Australian Office, "A Review of Major Office Market Transactions and Trends in 2017" (January 2018)
ii. CBRE 2018 Asia Pacific Real Estate Market Outlook (Japan)
iii. CBRE Marketview, Japan Logistics (Q4 2017)
iv. Xinhuanet, "China sets 2018 GDP growth target at around 6.5 pct" (3 March 2018)
v. Savills World Research, Beijing Office (January 2018)
vi. Colliers International, Shanghai Business Parks (February 2018)
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viii. Colliers International, Hong Kong Retail (4Q 2017)
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OPERATIONS REVIEW
OAKWOOD WORLDWIDE

Mapletree acquired full ownership of Oakwood Worldwide® (Oakwood) in February 2017 as part of its strategy to accelerate expansion in the corporate, furnished and serviced apartment sector. As the leading global accommodation solutions provider for the world's largest businesses, governments, and individual travellers, Oakwood continues to grow its brand globally across various customer segments.

With an extensive and flexible selection of move-in ready furnished and serviced apartments, end-to-end programme management and innovative e-procurement solutions like epic™, a single-source electronic marketplace that simplifies finding the right housing option, Oakwood has enabled thousands of companies to expand their reach to more markets by providing safe, comfortable and affordable accommodation.

Oakwood Olympic & Olive is a Mapletree-owned property with 201 serviced apartments in Los Angeles, US

The award-winning company offers a wide array of accommodation solutions, with access to more than 20,000 apartments to meet evolving customer needs, including a growing portfolio of 55 Oakwood-branded and managed properties, Oakwood block leased apartments, master leased buildings, franchise and global accommodations network partners. This strong and varied set of global products allows Oakwood to maintain market leadership, grow in new geographies and meet customer needs in existing and emerging markets around the world. To further its advantage, Oakwood leverages its infrastructure and on-the-ground expertise, including three regional and 25 local offices, to help customers navigate regulatory and cultural differences. This past year, Oakwood entered Dubai, Poland and Israel via its global accommodations network partners, and continued growing in Germany, the Netherlands, Ireland and Switzerland to meet expanding customer needs.

Oakwood's managed assets include a branded portfolio of 55 Oakwood properties. 49 of these are fee-managed properties (12 owned by Mapletree and 37 owned by third party).

During the year, Oakwood acquired 168 new customer contracts totalling S$51 million in annual revenue, and renewed 214 client contracts worth S$372 million in annual revenue.

Oakwood's managed assets posted an average occupancy rate of 86% in FY17/18, with guests spending more than 3.7 million room nights in Oakwood units.

DRIVING GROWTH AND TRANSFORMATION

The portfolio of Oakwood-branded properties continued to grow in FY17/18, with the opening of the following:

- Oakwood Olympic & Olive, a Mapletree-owned property in Los Angeles, United States (US) (201 unfurnished and fully furnished apartments)
- Oakwood Apartments Azabudai, Tokyo, a Mapletree-owned property in Japan (48 fully furnished serviced apartments)
- Oakwood Premier OUE Singapore (268 fully furnished serviced apartments)
- Oakwood Hotel & Residence Sri Racha in Chonburi, Thailand (457 fully furnished serviced apartments)

Oakwood also announced the opening of the following properties slated for FY18/19:

- Oakwood Residence Shinagawa, Tokyo, in Japan (202 fully furnished serviced apartments)
- Oakwood Residence Saigon, a Mapletree-owned property in Ho Chi Minh City (HCMC), Vietnam (237 fully furnished serviced apartments)
- Oakwood Hotel & Apartments Shin-Osaka in Osaka, Japan (185 fully furnished serviced apartments)
- Oakwood Apartments Nishi-Shinjuku, Tokyo, in Japan (40 fully furnished serviced apartments)
- Oakwood Hotel & Residence Surabaya in Java, Indonesia (144 fully furnished serviced apartments)
- Oakwood Apartments Yangzhou in Jiangsu, China (144 fully furnished serviced apartments)
- Oakwood Apartments Sanya in Hainan, China (163 fully furnished serviced apartments)

AWARDS

Oakwood was named the Best Serviced Apartment Provider for the second consecutive year at the 2018 Business Travel Awards, and also one of the Top 5 Serviced Apartment Brands in DestinAsian Readers' Choice Awards 2018. In addition, Oakwood earned a number of prestigious awards from industry partners including the 2017 All-Star Award for Corporate Housing Services by Altair Global and the 2017 NEI Own It! Award in Excellence in Accountability for the temporary housing division by NEI Global Relocation.

MARKET REVIEW AND OUTLOOK

In the US, the corporate housing industry experienced the fourth consecutive year of revenue growth, increasing 10.2% to US$3.2 billion with room to grow as the current supply still lags the 2007 market peak by nearly 20,000 units. Across Europe, some 10,000 serviced apartments are currently in the pipeline, with 15% of stays being 30 nights or more. Asia-Pacific has seen demand for serviced apartments grow by up to 25% in the past decade.

Growth in the sector is expected to continue as corporations do business in an ever-increasing number of countries. On a global scale, business travel spend is projected to increase by 6.1% in the next year. Concurrently, the serviced apartment and extended stay category is expected to experience supply growth due to a robust global development pipeline.

With Oakwood's strong brand and track record, Mapletree is well-positioned to capitalise on these developments.


Oakwood Apartments Azabudai, Tokyo, the first Mapletree-owned serviced apartment in Japan, opened in May 2017

LATEST ADDITIONS TO MAPLETREE-OWNED OAKWOOD PROPERTIES

Oakwood Olympic & Olive
Strategically located in Downtown Los Angeles, Oakwood Olympic & Olive combines modern architectural design and urban accessibility, and is within proximity of L.A. Live, the Financial District and the Fashion District.

Comprising 201 studio, one- and two-bedroom apartments with open concept living areas, the property offers furnished and unfurnished apartment options. On-site amenities include co-working spaces, an outdoor pool and a hi-tech fitness centre.

Oakwood Apartments Azabudai, Tokyo
Oakwood Apartments Azabudai, Tokyo is a 48-unit serviced apartment property located in Central Tokyo. Situated within the Azabudai district of Minato ward, it is easily accessible to two subway lines and is just a three minutes' walk to Tokyo Tower.

Comprising 27 studio apartments and 21 one-bedroom apartments with study, each apartment comes fully furnished with a fully equipped kitchen including an oven, microwave and a coffee machine. Other apartment amenities include a TV set with multi-channel cable, a sound system as well as high-speed internet connectivity.

Oakwood Residence Saigon
Oakwood Residence Saigon is a serviced apartment located in the upscale District 7 of HCMC. The building is the serviced apartment component within Saigon South Place, a planned 4.4-hectare mixed-use development which also comprises the upmarket retail destination SC VivoCity, Grade A office tower Mapletree Business Centre, and high-end residential apartments RichLane Residences.

Oakwood Residence Saigon comprises 237 serviced apartment units from studio to three-bedroom, and is equipped with facilities including a swimming pool, fitness centre, resident's lounge and children's playground.

References:

i. 2017 CHPA Industry Report

ii. HVS London, "The Serviced Apartment Sector in Europe – No Longer the Underdog", July 2017

iii. The Apartment Service, Global Serviced Apartments Industry Report 2016/17

iv. GBTA BTI™ Outlook – Annual Global Report & Forecast

OPERATIONS REVIEW

SOUTH EAST ASIA

The South East Asia business unit (SEA) acquires and manages income-yielding investment properties in the region (excluding Singapore), with the aim of building a scalable capital management platform that creates solid and 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 FY17/18, SEA contributed S$78.2 million and S$0.3 million to the Group's EBIT + SOA[1] and fee income respectively. As at 31 March 2018, Mapletree owns and manages S$1.28 billion worth of assets in SEA.

Mapletree completed Oakwood Residence Saigon, a 237-unit serviced apartment tower, and RichLane Residences, a residential tower with 243 units

VIETNAM

Kumho Asiana Plaza was rebranded as mPlaza Saigon in August 2017. Asset enhancement initiatives have been put in place to position the asset as the premier place to work, live and play in the heart of Ho Chi Minh City (HCMC). Acquired in June 2016, mPlaza Saigon offers a gross floor area (GFA) of almost 146,000 square metres (sqm), comprising a 21-storey Grade A office building, a 32-storey serviced apartment tower, a 21-storey hotel, and a retail podium in HCMC's central business district.

In November 2017, Mapletree completed Oakwood Residence Saigon, a 237-unit serviced apartment tower, and RichLane Residences, a residential tower with 243 units. These constitute the third phase of Saigon South Place, a 4.4-hectare mixed-use development in HCMC's affluent District 7. Oakwood Residence Saigon commenced operations in April 2018, while handover of units at RichLane Residences began in end-March 2018.

SC VivoCity was the first phase of Saigon South Place. This shopping mall with a net lettable area (NLA) of 41,211 sqm continued to attract occupancy of above 95% in its third year of operation. Footfall has increased annually, with over 180 tenants offering a wide variety of lifestyle products and services.

The second phase, Mapletree Business Centre, has attracted strong leasing interest from international and local tenants since it officially opened in March 2017. As at 31 March 2018, the Grade A office tower, featuring large, column-free floor plates, raised floors, high ceilings and an all-glass facade, had a committed occupancy of over 95%.

MALAYSIA

Mapletree provides mezzanine loan financing for three residential projects in Kuala Lumpur and Selangor. One of the projects, Fera Residence, located in Wangsa Maju, Kuala Lumpur, was launched for sale in January 2017 and was fully sold out in January 2018.

MARKET REVIEW AND OUTLOOK

Vietnam

In 2017, Vietnam's gross domestic product growth was 6.8% year-on-year (y-o-y), exceeding the government's target of 6.7%. 2018's target is again 6.7%, with a focus on ensuring macroeconomic stability, enhanced productivity and competitiveness while promoting start-ups and creativity.

The government considered inflation to be under control in 2017, as the average consumer price index increased by 3.5%. Vietnam remains an attractive destination for foreign investors, with registered foreign direct investment (FDI) hitting a record US$35.9 billion in 2017, an increase of 44.4% y-o-y. FDI disbursement also reached a new high, increasing by 10.8% y-o-y to US$17.5 billion.

2017 saw two new Grade A office buildings introduced to the HCMC market, with a total NLA of 59,196 sqm. Grade A office occupancy remained healthy, with occupancy averaging 93.4%. Grade A office rental rates inched up to US$38.33 per square metre per month (psm/mth) from US$36.60 psm/mth. Hanoi's Grade A office occupancy improved to 91.1% from the previous year's 84.2%. Rental also increased by 9.3% y-o-y to US$24.80 psm/mth. Grade B offices registered an occupancy rate of 82.6% and a steady rental rate of US$13.60 psm/mth. This healthy performance was underpinned by the limited availability of quality office space and stable economic fundamentals, with strong demand for bigger floor plates and higher quality space.

In HCMC's residential market, a total of 31,106 new units were launched in 2017 and 32,164 units were sold, of which 60% were in the mid-range segment. Supply of mid-priced residential units rose, contributing 64% of new launches during the year. New launches focused on the South (mostly District 7) and the East (mostly District 2) of the city. Primary selling prices in all segments rose by 2-5% y-o-y.

Malaysia

Malaysia's performance continues to be stable, with higher than anticipated growth of 5.9% in 2017 and projected growth of 5.4% for 2018, according to the World Bank. Growth is driven by strong global demand for electronics and improved terms of trade for commodities such as oil and gas. Robust domestic demand will continue to anchor growth, supported by increasing employment and income, lower inflation and improving sentiments.

The retail space will remain challenging in the next couple of years as a result of rising supply coupled with competition from e-commerce. The Greater Kuala Lumpur area currently has 170 malls with a total of 5.8 million sqm of retail space, and the number of malls is expected to grow to 197, totalling 7.6 million sqm by 2021. Retail sales also struggled, growing only 2% in 2017, though optimistic projections have been made by Retail Group Malaysia for 2018.

A total of 6,113 units of prime high-rise residential units were completed in 2017, almost double the 3,388 completed in 2016. To address concerns of unsold completed residential properties, the government implemented a freeze on launches of properties priced above MYR 1 million from 1 November 2017. The luxury market is expected to remain subdued in 2018, and developers are shifting their focus to the middle-income and affordable housing segments to target a wider catchment.

Mapletree rebranded Kumho Asiana Plaza Saigon to mPlaza Saigon in HCMC in August 2017

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:

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ii. CBRE – Vietnam Market Outlook 2018
iii. Savills Malaysia Sdn Bhd
iv. Retail Group Malaysia
v. Knight Frank Malaysia – Real Estate Highlights for 2nd Half of 2017
vi. JLL – Greater Kuala Lumpur Property Market Monitor Research Report 4Q17
vii. Bank Negara Annual Report 2017
viii. The World Bank

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
SINGAPORE					
Commercial					
HarbourFront Centre	HarbourFront Centre Pte Ltd	100	32,900	97,700	65,900
HarbourFront Tower One	HarbourFront Two Pte Ltd	100	10,900 combined	40,300	34,200
HarbourFront Tower Two	HarbourFront Two Pte Ltd	100		19,200	14,200
PSA Vista	Vista Real Estate Investments Pte Ltd	100	12,900	21,900	13,300
St James Power Station	The HarbourFront Pte Ltd	100	17,800	8,700	6,100
Industrial					
43 Keppel Road	Bougainvillea Realty Pte Ltd	100	8,600	10,500	7,800
Pasir Panjang Distripark[1]	Bougainvillea Realty Pte Ltd	100	55,700	–	50,000
Tanjong Pagar Distripark	Bougainvillea Realty Pte Ltd	100	40,800	80,500	62,800
Mixed-Use					
18 Tai Seng	Mapletree Trustee Pte Ltd (as trustee-manager for Marina Trust)	100	12,700	41,200	35,700
Mapletree Business City II	Mapletree Business City Pte Ltd	100	108,500[2]	309,000[2]	110,200
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

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
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 Assets 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
78 Waterloo Road	Grafton ROA Trust	100	5,496	–	14,990
118 Talavera Road	Grafton ROA Trust	100	4,490	–	11,658
144 Montague Road	Montague QL Trust	100	3,257	–	14,742
417 St Kilda Road	Yarra Assets Trust	100	6,070	–	20,135
CHINA					
Industrial					
Mapletree Baoshan Industrial Park	Shanghai Fullshine Industrial Development Co Ltd	100	79,269	68,433	66,877
Logistics					
Mapletree Changsha Industrial Park (Phase 1)	Fengshun Logistics Development (Changsha) Co Ltd	80	125,333	76,862	79,253
Mapletree Changsha Industrial Park (Phase 2)	Fengyi Warehouse (Changsha) Co Ltd	80	140,207	98,724	97,888
Mapletree Changshu Logistics Park	Changshu Fengjia Warehouse Co Ltd	80	100,672	59,538	60,966
Mapletree Chengdu DC Logistics Park	Digital China (Chengdu) Science Park Co Ltd	100	32,332	20,819	20,138

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Mapletree Chengdu Qingbaijiang Logistics Park	Fengqing Warehouse (Chengdu) Co Ltd	100	154,482	117,182	115,802
Mapletree Chongqing Bonded Port Logistics Park	Fengqian Warehouse (Chongqing) Co Ltd	100	74,231	88,856	88,169
Mapletree Chongqing Jiangjin Comprehensive Industrial Park	Fengfu Industrial (Chongqing) Co Ltd	100	71,569	47,436	47,014
Mapletree Chongqing Liangjiang Logistics Park	Fengjiang Warehouse (Chongqing) Co Ltd	100	101,351	101,108	104,899
Mapletree (Cixi) Logistics Park	Fengkang Logistics (Cixi) Co Ltd	80	194,792	131,085	139,507
Mapletree Cross-Border (Chongqing) Logistics Park	Fengzhong Warehouse (Chongqing) Co Ltd	100	92,078	120,887	103,824
Mapletree Dalian Logistics Park	Fengguang Warehouse (Dalian) Co Ltd	80	96,531	56,642	57,739
Mapletree Fengdong (Xi'an) Logistics Park Phase 2	Fenghang Logistics Development (Xi'an) Co Ltd	80	119,422	62,860	63,558
Mapletree Guizhou Longli Logistics Park	Fenglong Warehousing (Guizhou) Co Ltd	100	102,450	50,459	49,379
Mapletree Hangzhou Dajiangdong Industry Park	Fengzhou Warehouse (Hangzhou) Co Ltd	80	83,593	94,590	106,726
Mapletree Harbin Nangang Logistics Park	Harbin Fenggang Warehouse Co Ltd	100	100,366	59,894	58,913
Mapletree Huangdao Logistics Park	Fenglu Warehouse (Qingdao) Co Ltd	100	100,000	77,455	76,630
Mapletree Jiaxing Logistics Park	Jiaxing Fengyue Warehouse Co Ltd	100	62,346	35,735	35,683
Mapletree Jinan International Logistics Park	Fengcheng Logistics Development (Jinan) Co Ltd	80	126,771	81,913	80,931
Mapletree Liuhe Logistics Park	Fenghao Warehouse (Nanjing) Co Ltd	100	130,237	72,133	71,231

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Mapletree (Nanchang) Logistics Park	Fengqi Warehouse (Nanchang) Co Ltd	100	121,134	74,846	73,950
Mapletree Nantong (Chongchuan) Logistics Park	Fengchi Logistics (Nantong) Co Ltd	80	135,735	75,545	78,624
Mapletree Nantong (EDZ) Logistics Park	Fengrui Logistics (Nantong) Co Ltd	80	108,782	67,895	67,504
Mapletree Quanzhou QTIZ Logistics Park	Quanzhou Fenglian Warehouse Co Ltd	100	104,757	126,754	125,963
Mapletree Shenyang Tiexi Logistics Park	Fengda Warehouse (Shenyang) Co Ltd	100	71,091	42,677	42,116
Mapletree Tianjin Airport Logistics Park	Mapletree (Tianjin) Airport Logistics Development Co Ltd	100	48,281	66,470	58,293
Mapletree Tianjin Port HaiFeng Bonded Logistics Park	Tianjin Port Haifeng Bonded Logistics Co Ltd	49	182,192	194,092	177,882
Mapletree Tianjin Wuqing Logistics Park	Fengquan Warehouse (Tianjin) Co Ltd	80	47,100	29,057	29,148
Mapletree Tianjin Xiqing Logistics Park	Fengwei Warehouse (Tianjin) Co Ltd	100	67,230	33,170	37,776
Mapletree Wuhan Yangluo Logistics Park	Fengying Logistics (Wuhan) Co Ltd	80	116,467	70,772	69,984
Mapletree Wuxi New District Logistics Park	Fengshuo Warehouse Development (Wuxi) Co Ltd	80	99,958	119,599	122,403
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	118,810	69,493	68,494
Mapletree Yuyao Simeng Logistics Park	Fengxuan Logistics (Yuyao) Co Ltd	80	83,622	46,811	48,914

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Mapletree Zhengzhou Airport Logistics Park	Zhengzhou Fengzhuang Warehouse Co Ltd	100	161,896	96,009	94,946
Mapletree Zhenjiang Modern Logistics Park	Fengzhen Logistics (Zhenjiang) Co Ltd	100	172,106	102,620	101,616
Office					
Arca Building	Arca Technology (Beijing) Co Ltd	100	22,749	19,695	19,695
GERMANY					
Office					
Dachauer Strasse 641 – 655	Rhein Assets S.a.r.l. & West Munich Assets S.a.r.l.	100	66,670	–	58,658
HONG KONG SAR					
Office					
Mapletree Bay Point	Sunstone KB (HKSAR) Limited	100	5,112	61,344	52,817
JAPAN					
Corporate Housing/Serviced Apartment					
Oakwood Apartments Azabudai, Tokyo	Kashinoki Tokutei Mokuteki Kaisha	100	364	3,000	2,185
Oakwood Suites Yokohama	Mapletree Investments Japan Kabushiki Kaisha	100	1,129	14,242	9,767
Office					
Omori Prime Building	Satsuki Tokutei Mokuteki Kaisha	100	1,764	11,111	6,798
TF Nishidai Building	Godo Kaisha Zelkova (GK Zelkova)	100	11,119	22,792	14,576

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
MALAYSIA					
Logistics					
Mapletree Logistics Hub – Shah Alam	Winning Paramount Sdn Bhd	80	185,800	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	39,000	24,000
THE UNITED KINGDOM (UK)					
Mixed-Use					
Green Park	Green Park Reading No. 1 LLP	100	790,000	–	130,064
Office					
3 Hardman Street	Hardman Investment Unit Trust	100	6,330	–	36,767
Diageo Headquarters	Derry Park Assets (UK) Limited	100	6,020	–	14,447
iQ Building	Aberdeen IQ Unit Trust	100	4,200	–	11,665
One Glass Wharf	Glass Wharf JV Limited	100	4,950	–	20,080
THE UNITED STATES (US)					
Commercial					
50 South Sixth	South Sixth Office LLC	100	4,371	–	64,903
Corporate Housing/Serviced Apartment					
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

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
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	28,332	27,436
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
Data Centre					
2 Christie Heights, Leonia	Ambrose DC Assets LLC	73	13,593	–	6,224
180 Peachtree Street, Atlanta	Etowah DC Assets LLC	73	12,551	–	33,204
402 Franklin Road, Brentwood	Hudson DC Assets LLC	73	175,478	–	32,285
1001 Windward Concourse, Alpharetta	Cumberland DC Assets LLC	73	82,910	–	17,145
1221 Coit Road, Plano	Denali DC Assets LLC	73	29,363	–	11,961
1805 Center Park Drive, Charlotte	Gannett DC Assets LP	73	27,478	–	5,653
2000 Kubach Road, Philadelphia	Navarro DC Assets LLC	73	103,604	–	11,537
2775 Northwoods Parkway, Atlanta	Redwood DC Assets LLC	73	13,038	–	3,041
3300 Essex Drive, Richardson	Redwood DC Assets LLC	73	6,151	–	1,858
5000 South Bowen Road, Arlington	Savannah DC Assets LLC	73	113,446	–	8,425
5150 McCrimmon Parkway, Morrisville	Humphreys DC Assets LP	73	49,533	–	13,356

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
7337 Trade Street, San Diego	Hudson DC Assets LLC	73	68,239	–	46,395
19675 W Ten Mile Road, Southfield	Galveston DC Assets LLC	73	11,252	–	4,918
N15W24250 Riverwood Drive, Pewaukee	Hudson DC Assets LLC	73	55,630	–	13,280
Residential					
Denizen	Denver Properties I, LLC	100	–	27,710	–
Latitude 45	Minneapolis Properties III, LLC	100	–	36,283	–
Mint Urban Infinity	Glendale Properties I, LLC & Glendale Properties II, LLC	100	–	39,979	–
Place on Ponce	Decatur Properties I, LLC	100	–	26,521	–
VIETNAM					
Commercial					
CentrePoint	Nguyen Vu Investment Joint Stock Company	100	4,136	44,732	28,186
Mapletree Business Centre	Saigon South Office 1 Co Ltd	100	1,750	37,070	23,448
SC VivoCity	Vietsin Commercial Complex Development Joint Stock Company	62	33,580	62,600	41,211
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	–

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Logistics					
Mapletree Logistics Park Bac Ninh Phase 2-5	Mapletree Logistics Park Bac Ninh Phase 2 (Vietnam) Co Ltd Mapletree Logistics Park Bac Ninh Phase 3 (Vietnam) Co Ltd Mapletree Logistics Park Bac Ninh Phase 4 (Vietnam) Co Ltd Mapletree Logistics Park Bac Ninh Phase 5 (Vietnam) Co Ltd	100	454,207	255,873	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	145,751	80,000
Pacific Place	Ever-Fortune Trading Center Joint Stock Company	100	5,430	49,246	22,898
Residential					
One Verandah	Riverfront TML (Vietnam) Company Limited	100	16,684	107,777	83,419
RichLane Residences	Saigon South Serviced Apartments Co Ltd	100	5,143[3]	28,868	19,048

Name of Building/Site	Asset Company	Effective Stake (%)	No. of Beds	Gross Floor Area (sqm)
CANADA				
Student Accommodation				
Parc Cite	3275262 Nova Scotia Company	100	140	7,653
THE UK				
Student Accommodation				
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 The building and land had been returned to the Government when its land lease expired on 30 September 2017.
2 Area for entire Mapletree Business City development (including Mapletree Business City I).
3 Combined land area for Oakwood Residence Saigon and RichLane Residences.

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.

INVESTMENT ACTIVITIES & FUND MANAGEMENT

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

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

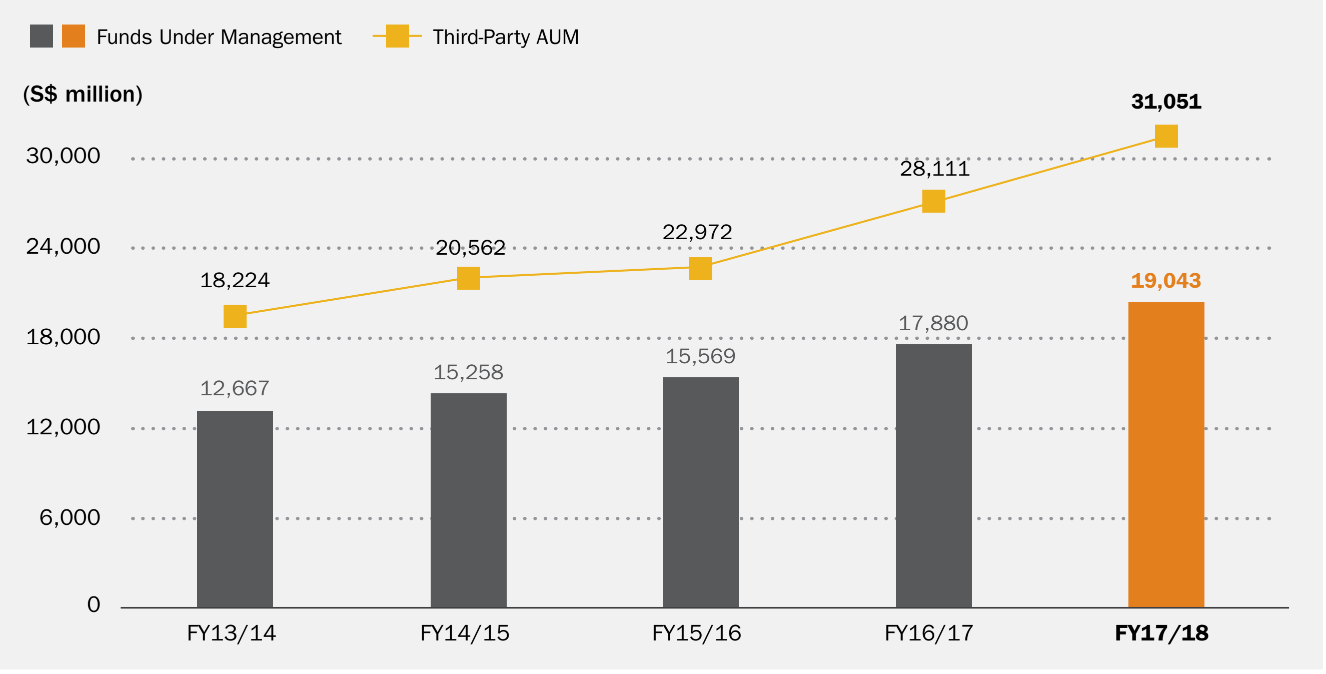
The Group has built a strong reputation as an industry leader in the Singapore REIT market and private fund management business with origination, structuring and fundraising capabilities. Currently, Mapletree manages four Singapore-listed REITs and six private funds with combined funds under management of over S$19 billion. In the last decade, Mapletree has grown its assets under management (AUM) by more than 10 times.

As at 31 March 2018, Mapletree had an AUM of S$46.3 billion, of which 67% was 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.

A STEP TOWARDS ACHIEVING SUCCESSFUL EXIT – MJOF

Mapletree's expertise as a capital manager is also underlined by its ability to deliver solid returns from its investments. In January 2015, MJOF had a final close at JPY65 billion (~S$799.8 million) which exceeded its fundraising target of JPY40 billion (~S$492.2 million) despite the competitive fundraising market during the year. Seeded by four office buildings at fund launch, MJOF aims to generate a stable and recurring income yield with an attractive total return by investing predominantly in income-generating office spaces located primarily in or around the fringe of the Tokyo central business district and within the Greater Tokyo area.

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



LEASING AND CONSTRUCTION ACHIEVEMENTS – MJLD

Following the successful launch of MJLD in 2014, the fund has since invested in 12 assets at the end of its investment period. MJLD aims to generate an attractive total return by investing in logistics development assets and selected completed logistics assets in Japan. During the year, the fund had achieved a number of construction and leasing milestones, bringing it closer to achieving its investment objectives.

Mapletree Chiba New Town Logistics Centre, a five-storey modern logistics facility in Chiba Prefecture, was completed in November 2017. This is MJLD's second independently developed project in Japan. In March 2018, MJLD broke ground on the construction of Project Kobe, a four-storey modern logistics facility in Hyogo Prefecture, with a gross floor area of 25,238 tsubo (~83,431.4 square metres). This will be the largest logistics development project that MJLD is independently undertaking in Japan.

During the year, the fund had made a number of leasing achievements:

- I Missions Park Noda, a four-storey modern logistics facility in Chiba Prefecture, was successfully leased with 100% occupancy in October 2017.
- Kashiwa Logistics Centre, a five-storey modern logistics facility in Chiba Prefecture, managed to secure a pre-lease agreement with a major Japanese third-party logistics provider to occupy the entire building when it is completed in July 2018.
- I Missions Park Inzai, currently a build-to-suit (BTS) project for an international e-commerce company in Chiba Prefecture, has some unused land onsite which the team had also managed to secure a second BTS development opportunity to a major Japanese food distributor who will occupy the entire property when the second building onsite is completed in March 2019.
- Mapletree Ashikaga Logistics Centre 1, a three-storey modern logistics facility in Tochigi Prefecture, has also successfully secured a new anchor tenant, a major Japanese third-party logistics provider, bringing its occupancy to 100% when the lease commences in July 2018.

During the year, MJOF has been actively acquiring and deploying commitments. In May 2017, the fund acquired an office asset in Shinagawa ward in Tokyo for a consideration of JPY34.3 billion (~S$422.1 million). This brings the total number of assets under MJOF's portfolio to 10 at the end of its investment period.

In May 2018, MJOF divested six freehold office assets to Mapletree Greater China Commercial Trust (MGCCT)[1] for JPY63,304 million (~S$779 million). At the same time, MJOF is also exploring various divestment options for the remaining four assets in the portfolio. The divestment to MGCCT[1] marks a key milestone for the fund towards delivering returns exceeding its original target to the investors.

In addition to MJOF, 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), Mapletree Global Student Accommodation Private Trust (MGSA P-Trust) and CIMB-Mapletree Real Estate Fund 1 (CMREF1).

DELIVERING STABLE RETURNS BACKED BY STRONG SPONSOR

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

The Group's four Singapore-listed REITs, MGCCT[1], Mapletree Commercial Trust, Mapletree Industrial Trust (MIT) and Mapletree Logistics Trust, performed strongly, achieving an annual distribution yield per unit of between 5.8% and 6.5% in FY17/18.

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 Australia, the United Kingdom (UK), the United States (US), Canada, China and Japan, and made new ventures into the student accommodation and data centre sectors. In May 2017, the Group successfully acquired another portfolio of student accommodation assets with 3,611 beds in the US, 140 beds in Canada, and four multi-family assets with 1,388 units in the US. Mapletree's total student housing portfolio consists of 45 assets with 19,653 beds located across 34 cities in the US, Canada and the UK, including assets held by its sponsored MGSA P-Trust.

In December 2017, the Group continued to extend its footprint in the fast growing data centre sector by successfully acquiring a portfolio of 14 data centres in the US. A joint venture between Mapletree Investments and MIT acquired the portfolio for a purchase consideration of approximately US$750 million (~S$1,020 million).

As a global real estate entity, Mapletree 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[2]
Private Funds – Existing						
Mapletree Global Student Accommodation Private Trust (MGSA P-Trust)	Established with the objective to invest in an attractive and resilient income-producing student accommodation portfolio in the UK and the US.	2017	The UK and the US	Student Accommodation	5	US$535 million (~S$701.9 million)
MJOF	Established with the objective of generating a stable and recurring income yield with an attractive total return, by investing predominantly in income-generating office spaces located primarily on or around the fringe of Tokyo CBD and within the Greater Tokyo area.	2014	Japan	Office Space	5	JPY65 billion (~S$799.8 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$627.6 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$1,802.1 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$1,518.7 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$136.3 million)

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[2]
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[3] of 15.1%.	2006	Pan Asia	Industrial	Realised	US$299 million (~S$392.3 million)
Mapletree Industrial Trust – Private (MITP)	Held the S$1.71 billion of industrial assets acquired from JTC in 2008. Fully realised and achieved 1.5x multiple and net IRR[3] 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[3] of 25.3%.	2005	Pan Asia	All	Realised	S$90 million
Public Listed – REITs						
Mapletree Greater China Commercial Trust (MGCCT)[1]	REIT investing in a diversified portfolio of income-producing commercial real estate in Greater China[4] and Japan.	2013	Greater China[4] and Japan	Commercial	–	S$3,889 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$4,283 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 and the US	Industrial	–	S$2,780 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$3,376 million

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

2 Total fund size for private funds; NAV attributable to unitholders for listed REITs as at 31 March 2018.

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

4 MGCCT'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). MGCCT's overall investment mandate had been expanded to include Japan with effect from February 2018.

Green Park
Business Park, Reading, the United Kingdom

HAND IN HAND

ENABLING GROWTH THROUGH ENVIRONMENTAL, ECONOMIC AND SOCIAL SUSTAINABILITY

At Mapletree, the focus on growth extends to our Corporate Social Responsibility (CSR) programmes. To boost and widen the reach of our education initiatives, we launched the Mapletree Real Estate Programme at the Singapore Management University with a S$3 million endowed gift in FY17/18. We also doubled the number of beneficiaries under the Mapletree Youth Resilience Programme and intensified our Staff CSR Programme by funding more staff-led projects in countries where Mapletree has a business presence.

Social Sustainability

Since FY10/11, we have committed more than S$19.2 million to our CSR programmes to support the arts, education and healthcare-related causes. As education is a key focus of our programme, the Group has funded S$3 million to Singapore Management University to launch a multi-faceted Mapletree Real Estate Programme in FY17/18.

Environmental Sustainability

We are committed to minimising the environmental impact of our business operations through various eco-efficient initiatives. 17 of our Singapore-based properties have attained Green Mark Gold Award and higher from Singapore's Building and Construction Authority. We strive for similar standards overseas, where six of our properties are LEED-certified.

Economic Sustainability

As we expand globally, we incorporate good corporate governance practices and a robust risk management strategy to guide us in major investment decisions and in assessing potential conflicts of interest.

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 second Sustainability Report (SR).

Environmental, social and governance (ESG) factors are increasingly recognised by businesses and are growing in importance to stakeholders. We continually strive to manage the material ESG factors relevant to our operations to ensure the long-term resilience of our business while minimising negative impact to the environment.

ABOUT THIS REPORT

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2016) – Core Option, and information included in this report reflects ESG factors with regard to sustainability at Mapletree during the period from 1 April 2017 to 31 March 2018. The report will be published on an annual basis.

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 real estate investment trusts (REITs) – Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), Mapletree Commercial Trust (MCT) and Mapletree Greater China Commercial Trust (MGCCT)[1] – have published their own SRs.

SUSTAINABILITY GOVERNANCE

Mapletree has an internal sustainability governance framework in place to chart the Group's[2] sustainability journey.

Mapletree appointed a Sustainability Steering Committee (SSC) to oversee and evaluate the Group's sustainability management practices and approach on a regular basis to ensure continued progress and improvement. The SSC is also responsible for developing sustainability strategies and managing the Group's sustainability performance. The SSC, co-chaired by the Deputy Group Chief Executive Officer (CEO) and the Head of Group Corporate Services and Group General Counsel, consists of the four CEOs of the REIT managers as well as other members of Mapletree's senior management.

Supporting the SSC is the Sustainability Working Committee (SWC), which includes senior management representatives across Mapletree's key business units (BUs) and functions. The purpose of the SWC is to implement, execute and monitor policies and procedures across the Group.

STAKEHOLDER ENGAGEMENT

Our internal and external stakeholders drive our business operations, and we recognise the importance of effective collaboration with them. Hence, we actively engage with our stakeholders via several means to have a better understanding of issues that are pertinent to them. Our stakeholders were identified based on their relevance to Mapletree and their importance to our business. Mapletree's stakeholder engagement approach is described in the table on page 85.

MATERIALITY ASSESSMENT

In FY16/17, Mapletree conducted a group-wide materiality assessment exercise, taking reference from the GRI Standards (2016) Materiality Principle. The materiality assessment exercise allowed us to identify, prioritise and validate issues pertaining to the ESG areas that greatly affect business operations and are of interest to stakeholders. The exercise was conducted by an independent consultant and representatives from various BUs were required to participate in a workshop where they considered the following:

- industry best practices;
- local and global emerging sustainability trends;
- material topics identified by industry peers; and
- sustainability reporting frameworks and relevant sector-specific guides.

We reviewed the outcomes of the materiality assessment for FY16/17 and no changes were identified for FY17/18.

Mapletree's key areas of focus related to materiality were identified and approved, as depicted in the table on page 85.

MAPLETREE'S STAKEHOLDER ENGAGEMENT APPROACH THROUGHOUT THE YEAR

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

MAPLETREE'S KEY AREAS OF FOCUS RELATED TO MATERIALITY

Sustainability Categories	Material Factors	Read more in our:
Economic Value	• Economic Performance	• Financial Review and Financial Statements, Pages 32-45, 109-204
Environmental Responsibility	• Energy • Water	• Sustainability Report, Pages 87-88 • Sustainability Report, Page 89
Our People and the Local Communities	• Health & Safety • Talent Retention • Local Communities	• Sustainability Report, Page 90 • Sustainability Report, Pages 91-92 • Sustainability Report, Pages 92-95
Regulatory Compliance	• Anti-corruption • Compliance with Laws and Regulations	• Sustainability Report, Pages 95-96 • Sustainability Report, Pages 95-96 • Corporate Governance Report, Pages 101-105

SUSTAINABILITY REPORT

ENVIRONMENTAL RESPONSIBILITY

Mapletree has always been conscientious in operating our assets with a strong focus on environmental sustainability. Since 2008, we have implemented initiatives to improve the energy efficiency in our major commercial assets in Singapore. Both Mapletree Business City (MBC) I and HarbourFront Centre were listed in the Top 10 Performing Commercial Buildings[3] of the Building and Construction Authority (BCA)'s Building Benchmarking Reports in 2014 and 2015. With the various initiatives undertaken since 2008, the commercial assets[4] that are currently held by Mapletree in Singapore have reached stable and optimal operational efficiency.

HarbourFront Towers One and Two had its cooling tower infills replaced to improve cooling tower and chiller energy efficiency

Moving forward, in line with Singapore's mandate to designate 2018 as the Year of Climate Action, Mapletree has taken considerable steps to further minimise our environmental impact through various eco-efficient initiatives and practices.

Our processes include monitoring utilities consumption at all properties which are under Mapletree's operational control in Singapore. This allows the Group Property Management (PM) Department to identify opportunities to improve energy and water efficiencies.

One such initiative is the Monthly Engineering Forum highlighted on the right.

In Singapore, Mapletree's ongoing "Mapletree Goes Green" initiative advocates green practices, including printing on both sides of the paper and using refillable water bottles. Mapletree continues to be a strong supporter of environmental related events, including Earth Day and Earth Hour.

MONTHLY ENGINEERING FORUM:

Mapletree's Group PM Department hosts the Monthly Engineering Forum for PM representatives from all BUs. At the meetings, external vendors are invited to present new innovative tech-based solutions aimed at enhancing energy efficiency and reducing water consumption. Compliance processes are also reviewed, and there is a sharing of learning points and best practices among teams.

Property	Country	BCA Green Mark Award
1 and 1A Depot Close (MIT)	Singapore	Platinum
HarbourFront Centre (Mapletree)	Singapore	Platinum
Mapletree Anson (MCT)	Singapore	Platinum
Mapletree Business City I (MCT)	Singapore	Platinum
Mapletree Business City II (Mapletree)	Singapore	Platinum
26A Ayer Rajah Crescent (MIT)	Singapore	BCA-IDA Platinum[5]
Bank of America Merrill Lynch HarbourFront (MCT)	Singapore	Gold[PLUS]
PSA Building & Alexandra Retail Centre (MCT)	Singapore	Gold[PLUS]
The Strategy (MIT)	Singapore	Gold[PLUS]
18 Tai Seng (Mapletree)	Singapore	Gold
30A Kallang Place (MIT)	Singapore	Gold
HarbourFront Towers One and Two (Mapletree)	Singapore	Gold
Mapletree Logistics Hub - Toh Guan (MLT)	Singapore	Gold
Mapletree Pioneer Logistics Hub (MLT)	Singapore	Gold
The Signature (MIT)	Singapore	Gold
VivoCity (MCT)	Singapore	Gold

We adopt sustainable designs for our developments to reduce negative impact on the environment, and to ensure the health and safety of the buildings' occupants, thereby improving building performance. Sustainable design principles include optimising site potential, minimising non-renewable energy consumption, use of environmentally friendly products, conservation of water, and continually optimising operational and maintenance practices.

Six of the Group's properties in Singapore have been awarded the BCA Green Mark Platinum Awards – the highest accolade. This award is given by BCA in recognition of the buildings' environmental impact and performance. We aim to retain the BCA Green Mark certification for all our properties that are currently awarded the Green Mark certification. Some of our properties and their certifications are in the table on the left.

In addition, nine of Mapletree's projects in Asia have also achieved the Leadership in Energy and Environment Design (LEED) certifications, an internationally well-regarded green building certification programme that recognises best-in-class building strategies and practices. These are recorded in the table on page 87.

Property	Country	LEED Award
26A Ayer Rajah Crescent (MIT)	Singapore	LEED Gold
Mapletree Business City II (Mapletree)	Singapore	LEED Gold
STT Tai Seng I (MIT)	Singapore	LEED Gold
Mapletree Business City Shanghai (Mapletree)	China	LEED Gold (precertification)
VivoCity Shanghai (Mapletree)	China	LEED Silver (precertification)
Mapletree Bay Point (Mapletree)	Hong Kong SAR	LEED Gold (precertification)
Mapletree Logistics Hub Tsing Yi (MLT)	Hong Kong SAR	LEED Gold
Global Technology Park Phase 1 (Mapletree)	India	LEED Gold (by India Green Building Council)
Global Technology Park Phase 2 (Mapletree)	India	LEED Gold (precertification)

ENERGY

FY18/19 TARGET

- All stabilised[6] Singapore Investments (SI) sites will maintain landlord energy consumption within ±5% of FY17/18 baseline
- Implement air handling unit (AHU) upgrades to reduce energy consumption by 200,000 kWh/year (computed savings)
- Target to maintain BCA Green Mark ratings and higher for all properties that are currently Green Mark rated

Electricity is the main source of energy, and is used for our business operations such as property management and operations, lighting, air-conditioning and elevators.

Building-related information and energy consumption data for our offices and retail buildings in Singapore are submitted to the BCA annually. This data is collated as part of the BCA Building Energy Benchmarking Report, which Mapletree uses as a measure to improve the energy efficiency of its properties.

With regard to practices, Building User Guides and Green Fit-out Guidelines are implemented to assess and verify the environmental performance of a building development[7]. Our commercial buildings also abide by the Singapore Codes of Practice.

Some of the green practices that we have incorporated include installing energy efficient lighting fittings and motion sensors in commercial buildings to reduce electricity consumption. Additionally, we review our tenants' fit-out designs in commercial buildings to ensure that they comply with the buildings' lighting and power density, that are in line with BCA Green Mark requirements. These green practices, coupled with initiatives to improve energy efficiency over the years, have allowed the stabilised SI sites to achieve over 20% reduction in landlord energy consumption since 2008.

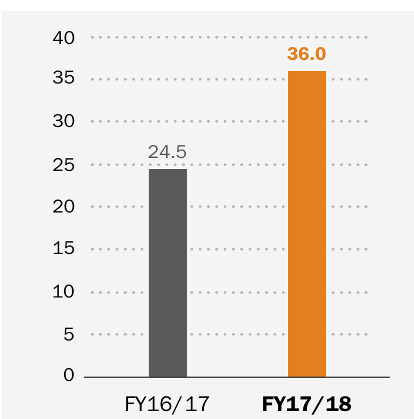
The PM team has also been proactively sharing Mapletree's sustainable best practices with the wider community through conducting Green Building Tours at MBC. Last year, an MBC Green Building Tour was conducted as part of the inaugural Singapore – International Energy Agency Energy Efficiency Training Week for Asia Pacific, with participants from ASEAN countries. Another tour was also conducted as part of the International Green Building Conference 2017. Delegates learnt about MBC's Green Building design features through a presentation and toured MBC to see the development's energy efficient features.

International Green Building Conference 2017 delegates toured MBC's operational facilities during a Green Building Tour

INITIATIVES IN RELATION TO ENERGY SAVINGS	
Implemented high energy efficient products and equipment: • HarbourFront Centre: Replacement of compact fluorescent lighting and metal-halide lamps with higher energy efficiency LED lights at the retail section, carpark and common corridors • HarbourFront Tower Two: Replacement of compact fluorescent lighting with LED lighting at toilets and common corridors • PSA Vista: Replacement of compact fluorescent lighting with LED lighting at lift lobbies and common corridors • Tanjong Pagar Distripark: Replacement of metal halide lamps with LED lamps along the level one corridor	**Upgraded older inefficient systems:** • HarbourFront Centre and HarbourFront Towers One and Two: Replacement of old cooling tower infills with new infills to improve cooling tower and chiller energy efficiency • Optimised mechanical and engineering system control settings based on buildings' operational needs • MBC II: Reduced carpark lighting to 66% from 7am – 10pm and introduced a function to the building management system that automatically adjusts the temperature of tenants' air conditioning during low occupancy to reduce consumption while not compromising comfort of users

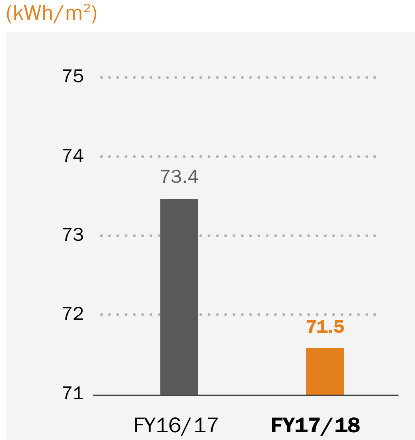
The total electricity consumption for Mapletree's developments[8] in Singapore amounted to 36 million kilowatt hours (kWh) in FY17/18. This increase of 11.5 million kWh, as compared to 24.5 million kWh in the previous year, was due to the addition of two new developments[9], MBC II and 18 Tai Seng. Energy consumption for the four stabilised and matured sites[6] reduced by 1.4 million kWh in FY17/18 as compared to FY16/17. On the other hand, building energy intensity decreased by about 1.9 kilowatt hours per square metres (kWh/m^2) from 73.4 kWh/m^2 in FY16/17 to 71.5 kWh/m^2 in FY17/18. As greenhouse gas (GHG) emissions are closely linked to energy use, we calculated emissions based on our annual electricity consumption by referring to the carbon emission factors stated in the Singapore Energy Statistics (Energy Market Authority, 2017[10]). GHG emissions increased from 12,746 tonnes of carbon dioxide equivalents[11] (tCO_2e) in FY16/17 to 15,278 tCO_2e in FY17/18, reflecting a 20% increase.

ENERGY CONSUMPTION (Million kWh)



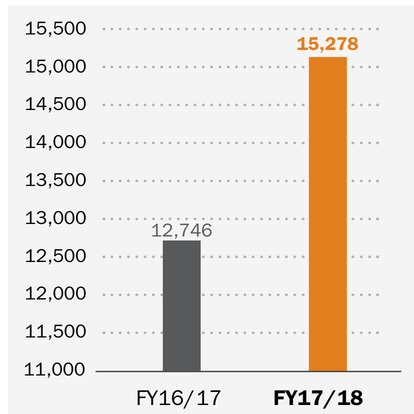
Note: The increase of 11.5 million kWh was due to the addition of two new developments, MBC II and 18 Tai Seng despite a reduction in energy consumption of 1.4 million kWh in FY17/18 for the stabilised and matured sites.

BUILDING ELECTRICITY INTENSITY (kWh/m^2)



Note: The decrease in building electricity intensity was due to the addition of two new developments, MBC II and 18 Tai Seng, which have yet to stabilise in FY17/18.

GHG EMISSIONS FROM ELECTRICITY (tCO_2e)



Note: The increase of 2,532 tCO_2e was due to the addition of two new developments, MBC II and 18 Tai Seng.

WATER

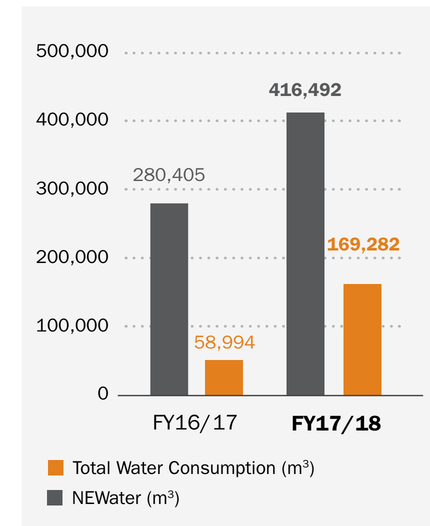
FY18/19 TARGET
• All stabilised[6] SI sites will maintain landlord water consumption within ±5% of FY17/18's baseline

Water is also essential to the business operations of Mapletree as it is consumed by employees, tenants, suppliers and visitors of the properties. The Group aims to provide uninterrupted sources of water supply to its stakeholders while ensuring prudent consumption of water.

Reduction of total water consumption and overall water intensity is one of our sustainability goals. Similar to energy, initiatives undertaken by Mapletree have led to a reduction in water consumption of more than 30% for the stabilised SI sites since 2008. Mapletree reports its annual water consumption data to the Public Utilities Board (PUB) as part of the requirements set out in the Water Efficiency Management Plan.

The water consumption of the seven developments[8] totalled 416,492 cubic metres (m^3) in FY17/18, as compared to 280,405 m^3 for five developments in FY16/17. The increase in water consumption was due to the addition of the two new sites – MBC II and 18 Tai Seng. For the four stabilised and matured sites[6], we reduced water consumption by 18,031 m^3. The water intensity[12] for FY17/18 was 0.83 m^3/m^2. At two of our developments, HarbourFront Centre and MBC II, NEWater, a type of high-grade reclaimed water, is also used as a non-potable water source. In FY17/18, approximately 41% (i.e. 169,282 m^3) of water consumed was NEWater.

TOTAL WATER CONSUMPTION (m^3)



Note: The increase in recorded water consumption in FY17/18 was due to the addition of two new developments, MBC II and 18 Tai Seng, of which MBC II is designed to use a larger proportion of non-potable water (NEWater).

Several water-saving measures have been adopted in buildings across the Group throughout the design, development and operation processes. These include efficient 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 NEWater made available by PUB. Other initiatives with regard to water savings are depicted in the box on the left.

As a result of our sustainability efforts, MBC I, HarbourFront Centre, HarbourFront Towers One and Two, and PSA Vista have been awarded the Water Efficient Building certification by PUB. Moving forward, we strive to continue with our efforts in conserving water.

MBC II uses NEWater, a type of high-grade reclaimed water, for its cooling tower systems

INITIATIVES IN RELATION TO WATER SAVINGS	
• Monitor and ensure that all building system operations' schedules and settings are maintained • Ensure building systems' maintenance is carried out effectively to maintain equipment efficiency • Maintain cooling tower's cycle of concentration (COC) to ≥7 • Monitor water usage to identify and fix any wastage	• Use of PUB's Water Efficiency Labelling Scheme sanitary fittings and accessories for toilets • Use of alternative non-potable water sources (NEWater) where possible and practical • Adjustment of pressure reducing valve settings at some properties to reduce the water flowrate, resulting in lower consumption for the toilet flushing system

SUSTAINABILITY REPORT

OUR PEOPLE AND THE LOCAL COMMUNITIES

We firmly believe that a high-performing company is a 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

FY18/19 TARGET

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

To ensure that Mapletree employees are cognizant of the company's commitment to provide a safe and healthy workplace for its employees, tenants, contractors and visitors to our premises, we introduced a health and safety policy. It can be found in the Employee Handbook which is applicable to Mapletree's employees in Singapore.

Should emergencies arise, standard operating procedures are in place to readily respond. In Singapore, PM teams have personnel who are trained in first aid and fire-fighting. During the year, emergency response drills (for fire and safety) were tested and fine-tuned at all Singapore properties as a means of ensuring business continuity.

We developed a reporting protocol, in the event of any serious construction incidents at any Mapletree development sites, allowing for timely investigation and incident management. Moreover, Mapletree complies with the Ministry of Manpower (MOM)'s reporting requirements in relation to workplace incidents.

Zero reports were made by Mapletree with regard to workplace fatalities and major accidents in FY17/18[13]. There were also no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of buildings reported.

Along with the 2017 Learning Fiesta theme of "Building a Resilient Workforce", a number of other health and safety initiatives have also been implemented at Mapletree. These include new and ongoing courses, which are highlighted in the box below.

We subcontract construction works to qualified and competent TPSPs via an assessment scheme in order to mitigate health and safety risks. This risk based assessment includes, but is not limited to, safety tracking records, ISO and Occupational Health and Safety Assessment Series certifications. Safety measures, including due diligence, are initiated as early as possible by Mapletree's Group Development Management when a new third-party service provider is pre-qualified and engaged.

INITIATIVES IN RELATION TO HEALTH AND SAFETY

New Health and Safety courses	Ongoing Health and Safety courses
• Mental Health First Aid (Singapore) • Company Emergency Response Team (CERT) First Aid • CPR & AED • Assisting Individuals in Crisis and Stress Management	• Work at Height • Fire Safety Manager briefing • Fire & Emergency response at the workplace/buildings

Employees are encouraged to refresh their skills via monthly Training Calendar reminders on ongoing Health & Safety related courses. They are also encouraged to volunteer as Mental Health First Aiders.

Mapletree employees at a CPR training session

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

In FY17/18, 35 new suppliers were assessed and engaged, of which 21 were consultants and 14 were contractors. Our standard contract terms also 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.

Similarly, there were no incidents of non-compliance in relation to customer health and safety in FY 17/18.

TALENT RETENTION

FY18/19 TARGET

- Continue to commit to fair employment practices by ensuring our hiring process remains stringent and offers equal opportunity to all potential candidates
- Maintain a diverse and relevant learning and professional development programme
- Follow up on the Employee Engagement Survey (EES) 2017 with action plans

Our employees are our key asset. We endeavour to create an environment that provides equal opportunities, talent development, competitive compensation and employee wellness. Maintaining high retention creates a positive work environment, which in turn motivates employees.

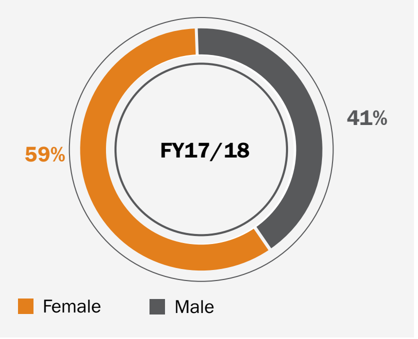
An EES is conducted every two to three years to measure the engagement level of employees and to solicit feedback on different aspects of the work environment. The EES conducted in FY17/18 received a high response rate of 95%. Following the survey results, the Group's Human Resource (HR) department is working with senior management to create action plans to address employees' concerns, at both the BU level and Group level.

The Group's HR policies are centred upon equal opportunities and fair employment practices. These include policies with regard to hiring, equal opportunities as well as learning and development. The policies can also be found in the Employee Handbook for employees in Singapore.

We strive to attract potential talents and provide opportunities to our employees across various levels through the Mapletree Executive Programme, Mapletree Associate Programme, Mapletree Internship Programme and Work Placement Programme. We also endeavour to retain existing staff through providing challenging work that stretches their capabilities to fulfil their potential, a conducive work environment, competitive benefits and remuneration, progressive career opportunities as well as relevant learning and development programmes.

The Group's workforce in Singapore portrays a diverse age range, where 17% of employees are below 30, 70% between 30 to 50 and 13% above 50 years of age. FY17/18's average headcount[14] was 912 employees, of which 100% were permanent staff. Gender diversity is also evident with females making up 59% of the workforce and the remaining 41% are males. The Group saw a 1% turnover rate and 1% new hire rate for the year. The following chart portrays Mapletree's workforce.

MAPLETREE'S WORKFORCE IN SINGAPORE



	Male	Female
< 30 years old	10%	22%
30 – 50 years old	70%	70%
> 50 years old	20%	8%

DEVELOPING PEOPLE

A positive work environment is fostered when employees are motivated and engaged. To help build an effective workforce, Mapletree has invested in various learning and development programmes which aim to equip employees with the competencies and skill sets to excel in their job roles.

Mapletree staff at the Durian Fest 2017, a welfare activity organised by the Mapletree Recreation Club

These programmes include:

- a quarterly immersion programme for new hires to understand the organisation and business;
- various training programmes aimed at different levels of the organisation (e.g. Mapletree Immersion Programme, Mapletree Leadership Programmes and Mapletree Performance Management workshops); and
- training programmes in areas ranging from market updates, leadership, performance management and customer service training (e.g. Mapletree Service with a Difference Programme).

Employees are also encouraged to participate in other functional and technical training programmes that are organised by external course providers. To ensure that employees are appraised fairly, Mapletree has a robust performance appraisal system in place, which allows employees to communicate their development and career goals and identify any learning needs. Employees receive feedback from their supervisors on their performance and areas for improvement during this annual exercise which aims to promote continuous employee development.

An e-Performance Appraisal (ePA) system which was introduced in FY16/17 has also been successfully implemented for all employees in FY17/18. The ePA system aligns evaluation practices across different countries, effectively tracks key performance indicators and measures employees' personal development.

SUSTAINABILITY REPORT

Employee Well-being

Mapletree promotes a positive and engaging working experience. The Mapletree Recreation Club organises activities to promote staff interaction regularly. Activities held in FY17/18 include the Family Movie Event – Marvel's Guardians of The Galaxy, Durian Fest 2017, Mapletree Universal Studios Singapore Day Out 2017 as well as the Chinese New Year Goodies Distribution 2018.

Additionally, Mapletree organises monthly futsal sessions for staff and also partners Singapore's Health Promotion Board (HPB) to run the Workplace Health Promotion series for its employees and all tenants of MBC. Examples of these activities include lunchtime talks on lifestyle topics and monthly sports, games and dance fitness programmes. Annual health screenings are also held for employees. These activities aim to encourage work-life balance for employees while creating a vibrant business community within MBC.

Mapletree also launched the Mapletree Education Award (EduAward) which recognises the academic achievements of its Singapore-based employees' children. These cash awards which range from S$150 to S$500 are presented twice a year, with 66 awards presented in FY17/18.

LOCAL COMMUNITIES

FY18/19 TARGET

- As we expand beyond Asia, we aim to extend the reach and impact of Mapletree's Corporate Social Responsibility (CSR) programmes by encouraging and providing seed-funding for staff-led CSR initiatives in at least eight key countries where Mapletree has business presence

Mapletree aims to build long-term sustainable relationships with the communities which we operate in. We strive to make a positive contribution to local communities by supporting programmes and causes that are of concern to our stakeholders and the communities, which are in line with the four key pillars of our CSR programme.

Underpinning our efforts is the Mapletree Shaping & Sharing Programme, a group-wide framework directed at achieving greater impact through a focused CSR approach.

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

MAPLETREE CSR FRAMEWORK

The CSR Framework is a group-wide framework directed at achieving greater impact through a focused CSR approach and encompasses four pillars of support – education, the arts, healthcare and the environment. It is guided by two broad objectives of empowering individuals through supporting educational and healthcare initiatives, as well as enriching communities with the arts and functional design, and building environmentally sustainable real estate developments.

The framework acts as a guide for proposed community involvement initiatives and commitments. Initiatives are selected based on several factors, including definable social outcomes, long-term engagement and staff volunteerism opportunities.

All proposed community involvement initiatives are assessed against the Mapletree CSR Framework by the Group Corporate Communications team. The team makes recommendations to the CSR Board Committee for their final assessment.

Mapletree aligns business performance with our CSR efforts where we allocate S$1 million annually to fund CSR commitments and programmes for every S$500 million of profit after tax and minority interests (PATMI)[15] or part thereof.

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 four REITs (rotated on a two-year basis) and senior management.

Supporting Tertiary Education

Mapletree believes in the importance of nurturing the next generation of real estate talents. Under the key CSR pillar of education, we supported the following programmes in FY17/18:

Mapletree Real Estate Programme at Singapore Management University

- S$3 million donation to the endowment fund to establish the Mapletree Professorship in Real Estate, Mapletree Awards, Mapletree Real Estate Business Study Trip Grant and Mapletree Speaker Events.

Mapletree Academic Achievement Programme (MAAP)

- Expanded the support under MAAP to include a five-year sponsorship for Ngee Ann Polytechnic's Most Outstanding Academic Performance Prize for the Diploma in Sustainable Urban Design & Engineering and a three-year sponsorship for Singapore Polytechnic's Top Year 1 and Top Year 2 prizes for the Diploma in Hotel & Leisure Facilities Management, to continue to recognise academic excellence in fields relevant to Mapletree's business.

Home & Away Fleece Jacket Giveaway

- A three-day roadshow was held at VivoCity Singapore to give away more than 500 fleece jackets to Singaporeans and Permanent Residents pursuing tertiary education in the United Kingdom (UK).

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$680,000 to support the education, sports and arts programmes of Assumption Pathway School, Boys' Town and YouthReach, which seek to uplift youths from difficult financial and social circumstances by providing financial assistance, as well as support for residential and development programmes such as art therapy and cooking sessions.

The champions for the Youth Category representing Beyond Social Services at the Mapletree Futsal Challenge 2018

Another programme to support youths is the Mapletree Youth Resilience Programme (MYRP). Launched in 2016, MYRP aims to provide long-term financial aid to youths with the potential and drive to pursue an education despite their disadvantaged backgrounds. Mapletree has provided financial support of more than S$69,000 for the youths through the MYRP and extended its support from 5 to 11 youths, across three local voluntary welfare organisations in FY17/18.

In November 2017, Mapletree organised a Youth Futsal Camp for youths from YouthReach and Beyond Social Services, as well as children of employees working at MBC and PSA Building. The youths learnt futsal rules, basic futsal techniques and engaged in friendly matches.

Youths at the Mapletree Youth Futsal Camp 2017

This was followed by the Mapletree Futsal Challenge held on 16 March 2018 where 12 teams from Mapletree, MBC tenants, and youth beneficiaries participated. Donations from participating tenants were matched by Mapletree and S$6,000 was raised for youth and education related programmes.

SUSTAINABILITY REPORT

Mapletree staff volunteers customised planter boxes for the elderly at St Andrew's Nursing Home (Henderson)

Mapletree staff delivering daily necessities to the underprivileged children from the SOS Children's Village – Go Vap

Staff Volunteerism

To encourage staff volunteerism efforts, Mapletree launched the Mapletree Staff CSR Programme in 2014 for employees to propose and receive seed funding for ground-up, staff-led CSR initiatives. The criteria for awarding the seed funding to the staff CSR proposals include assessing if there is quantifiable impact, staff commitment and wider participation. In FY17/18, seven staff-led CSR projects across five countries (China, Vietnam, Singapore, Japan and the UK) were awarded seed funding of up to S$5,000.

The Mapletree Logistics team was one of the Singapore teams who was awarded with seed funding, and the team worked with the National Parks Board to customise planter boxes for the elderly at the St Andrew's Nursing Home (Henderson). The plants and herbs, planted by both staff volunteers and seniors from the Home, formed part of the Home's Social and Therapeutic Horticulture Programme. The team has also organised a follow-up activity where children from a nearby pre-school visited the Home for gardening and crafts activities with the seniors.

"Arts in the City" is a complimentary series of lunchtime arts performances held quarterly at MBC, aimed at creating more opportunities for the working community to engage with the arts

The Mapletree team in Vietnam was awarded funding for the first time and the team delivered daily necessities, as well as donations of clothes and shoes for more than 60 children aged four to 14 years from the SOS Children's Village – Go Vap. The Village provides day care for families with young children, and takes in children who can no longer live with their parents due to financial circumstances.

Supporting the Arts

As a real estate developer that employs design to enhance the features of its developments and infuses art to add vitality to its facilities, Mapletree recognises the value that the arts and design create. Since 2013, Mapletree has been hosting "Arts in the City", a quarterly lunchtime arts event, at our flagship MBC development. We have also been providing venue sponsorship for arts performances and outreach activities under the National Arts Council's Arts in Your Neighbourhood initiative.

During the year, Mapletree also became the corporate sponsor of The TENG Ensemble, a critically acclaimed local arts group. Mapletree's sponsorship will fund two public performances and four scholarships for young music talents under the Mapletree-TENG Academy Scholarship over a two-year period.

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.

GOVERNANCE – ENSURING COMPLIANCE

FY18/19 TARGET

- Maintain zero incidences of non-compliance with anti-corruption laws and regulations
- No material incidences of non-compliance with relevant laws and/or regulations

Mapletree is committed to maintaining a high standard of corporate governance and transparency in our business operations. A comprehensive corporate governance framework has been set in place to uphold the Group's core values. Mapletree's corporate governance consists of anti-corruption policies which provide specific guidance on anti-corruption practices, and compliance with local laws and regulations.

SUSTAINABILITY REPORT

Anti-corruption policies are made available to employees in Singapore and are found in the Employee Handbook. These include statements on prohibition of bribery, acceptance or offer of lavish gifts or entertainment. The Group has also established a whistleblowing policy for anyone to report in good faith any improper and prohibited conduct in financial or other operational matters while protecting them from reprisals. Under the Giving of Gift policy, all employees are required to declare all gifts received from third parties.

Internal audit processes are in place to monitor the effectiveness of risk management, control and governance processes. Mapletree abides by all applicable laws and regulations and manage the risks of non-compliance by implementing policies and monitoring procedures. Such policies and procedures include the following:

- Anti-Money Laundering laws;
- contract reviews; and
- trading ban and pre-trading notifications.

Cases of threatened or pending litigation are reported immediately to the CEO of the BU and the Head, Group Corporate Services and Group General Counsel for timely resolution. Additionally, notifications are sent to all directors and employees of the Group prior to the start of trading ban periods.

In FY17/18, there were no incidents of corruption and non-compliance reported relating to laws and regulations, including environmental compliance, socioeconomic compliance and marketing communications.

As we seek to continuously improve our sustainability performance, we greatly welcome your feedback and comments which can be directed to enquiry@mapletree.com.sg.

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

2 Group refers to Mapletree Investments Pte Ltd and its subsidiaries.

3 Mapletree Business City I was listed under the Top 10 Performing Commercial Building Private Office Category and HarbourFront Centre under the Mixed Development Category in BCA's Building Energy Benchmarking Reports in 2014 and 2015.

4 Excluding the new developments of 18 Tai Seng and Mapletree Business City II as they have not reached stabilised occupancy in FY17/18.

5 The BCA-IDA Green Mark for Data Centres is a dedicated green building rating system for data centres. More information available here: https://www.bca.gov.sg/newsroom/others/pr10102012_IGBCA.pdf

6 The four stabilised and matured sites include: HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark.

7 Adapted from BCA's Green Mark Technical Guide and Requirements: https://www.bca.gov.sg/GreenMark/others/GM_NRB2015_Technical_Guide_Requirements.pdf

8 Environmental performance data included in this Sustainability Report consists of the following: HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista, Tanjong Pagar Distripark, Pasir Panjang Distripark, Mapletree Business City II and 18 Tai Seng. In addition, Pasir Panjang Distripark was discontinued and handed over to Singapore Land Authority (SLA) on 30 September 2017.

9 Two new developments included in this year's Sustainability Report are Mapletree Business City II and 18 Tai Seng.

10 The Singapore Energy Statistics (SES) is the Energy Market Authority (EMA)'s annual publication on energy statistics in Singapore. It aims to provide readers with a comprehensive understanding of the Singapore energy landscape through a detailed coverage of various energy related topics.

11 tCO2e stands for tonnes of carbon dioxide equivalent. It is the standard unit in carbon accounting to quantify greenhouse gas emissions, emission reductions and carbon credits.

12 Water intensity was calculated by taking total water consumption and dividing it by gross floor area.

13 Under the MOM's reporting guidelines, organisations are required to report an incident as an injury if three lost days are incurred.

14 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 2018).

15 PATMI denotes net profit (after tax and noncontrolling 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 headquarter	Annual Report, Corporate Overview, Pages 6-7 Annual Report, Our Offices, Page 108
102-4	Location of operations	Annual Report, Corporate Overview, Pages 6-7 Annual Report, Our Offices, Page 108
102-5	Ownership and legal form	Sustainability - Corporate Governance, Pages 101-105
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 91 Annual Report, Corporate Overview, Pages 6-7
102-8	Information on employees and other workers	Our People and the Local Communities – Talent Retention, Pages 91-92 Data was compiled from MIPL'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. MIPL 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. MIPL 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 2018).
102-9	Supply chain	Not applicable, 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	MIPL does not specifically address the principles of the Precautionary approach.
102-12	External initiatives	Not applicable, MIPL does not subscribe to or endorse any external initiatives
102-13	Membership of associations	Stakeholder Engagement, Page 85

SUSTAINABILITY REPORT

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 101-105
Governance		
102-18	Governance structure	Sustainability Governance, Page 84
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, Page 85
102-41	Collective bargaining agreements	Not applicable; no collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 85
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 85
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 85
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report, Financial Statements, Pages 109-204
102-46	Defining report content and topic boundaries	About this Report, Page 84 Materiality Assessment, Page 84
102-47	List of material topics	Materiality Assessment, Page 84
102-48	Restatements of information	Due to the clarification of measurement errors, the annual water consumption for FY16/17 has been updated in this report.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	About this Report, Page 84
102-51	Date of most recent report	June 2017
102-52	Reporting cycle	About this Report, Page 84
102-53	Contact point for questions regarding the report	About this Report, Page 84
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Page 84
102-55	GRI content index	GRI Content Index, Pages 97-100
102-56	External assurance	MIPL has not sought external assurance on this report but may do so in the future.

GRI Standards (2016)		Notes/Page number (s)
Management Approach		
103-1	Explanation of the material topic and its Boundary	Sustainability Governance, Page 84; Energy, Pages 87-88; Water, Page 89; Health and Safety, Page 90; Talent Retention, Pages 91-92; Local Communities, Pages 92-95; Regulatory Compliance, Pages 95-96
103-2	The management approach and its components	
103-3	Evaluation of the management approach	

Material Topics

Economic Performance		
201-1	Direct economic value generated and distributed	Annual Report, Financial Review and Financial Statements, Pages 32-45, 109-204
Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	Regulatory Compliance, Pages 95-96
Energy		
302-1	Energy consumption within the organisation	Environmental Responsibility – Energy, Pages 87-88
302-3	Energy intensity	Environmental Responsibility – Energy, Pages 87-88
Water		
303-1	Water withdrawal by source	Environmental Responsibility – Water, Page 89
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Regulatory Compliance, Pages 95-96
Employment		
401-1	New employee hires and employee turnover	Our People and the Local Communities – Talent Retention, Pages 91-92 Given that our new hire/turnover rate is significantly lower than industry average, the information on new hires and turnover by age/gender has not been provided. Instead, please refer to page 91 for the profile of our workforce by age/gender.
Occupational Health & Safety		
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health and Safety, Page 90 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 page 90 for information on the number of work-related fatalities.

GRI Standards (2016)		Notes/Page number (s)
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programmes	Our People and the Local Communities – Local Communities, Pages 92-95
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Our People and the Local Communities – Health and Safety, Page 90
Marketing and Labelling		
417-3	Incidents of non-compliance concerning marketing communications	Regulatory Compliance, Pages 95-96
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance, Pages 95-96

SUSTAINABILITY CORPORATE GOVERNANCE

As Mapletree grows from strength to strength and 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 subject to mandatory disclosures, it voluntarily subscribes to some of the core principles set out in the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore.

Mapletree is also committed to long-term value creation and integrating sustainability into its strategy, policies and practices. To this end, Mapletree has voluntarily published its first Global Reporting Initiative (GRI) Core Compliant Sustainability Report which can be found on pages 84 to 100 of this Annual Report.

A) BOARD MATTERS

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

Mapletree's Directors are business leaders and distinguished professionals in their respective fields who are appointed based on their professional calibre, experience and stature. The Board was formed with the overall consideration that their collective diverse professional experiences will 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, and 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 Management updates.

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, which will generate external, diverse and objective perspectives. Besides 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) to provide a better overview of 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.

As a Non-Executive Independent Director, the Chairman guides the Board in constructive debates on the matters of strategic direction, management and governance. Being non-executive, the Chairman is free to act independently in the best interests of Mapletree. The Chairman and the 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

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

responsible for ensuring compliance with the 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 fruitful discussions for balanced and well-considered decisions to be made.

Access to Information

Mapletree adopts the principle that the Board shall be provided with timely and complete information prior to Board meetings and when the need arises. New Board members are briefed on Mapletree's business through an orientation programme which covers the Group's business, strategic direction, risk management policies and governance practices.

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

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

All ERCC members are independent of the Management. The ERCC oversees executive compensation and development of the Management'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 FY 17/18.

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 Greater China Commercial Trust Management Ltd (MGCCTM)[1], which are respectively the real estate investment trust (REIT) Manager of Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree Greater China Commercial Trust (MGCCT)[1], 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 MGCCTM[1], 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 believes that to build stakeholder confidence, 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. The Board is regularly 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 it is necessary to establish an internal control framework which addresses the operational, financial, compliance and information technology (IT) risks applicable to its business and operating environment, as well as the Group's risk management system. These internal controls provide reasonable but not absolute assurance on the achievement of their intended control objectives. The key elements of Mapletree's system of controls are as follows:

i. Operating structure

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

ii. 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 Department (IA) verifies compliance with these control procedures and manuals.

iii. 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.

SUSTAINABILITY CORPORATE GOVERNANCE

iv. 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 Department (RM) 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.

More information relating to risk management can be found on pages 106 and 107 of this Annual Report.

v. 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 cyber-security threats are identified and mitigated. In addition, as part of Mapletree's business continuity plan, IT disaster recovery planning and tests are conducted to ensure that critical IT systems remain functional in a crisis situation.

vi. 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.

vii. 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, the 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.

viii. 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.

ix. Transaction Review Committee

Since March 2013, with the listing of MGCCT[1], Mapletree has established a TRC to (a) resolve any potential conflict of interest that may arise between MGCCT[1] 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. Mapletree is currently reviewing the Terms of Reference (ToR) for the TRC, given the change in investment mandate of MGCCT[1] to Mapletree North Asia Commercial Trust (MNACT).

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 ToR 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 annually 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 policy 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 FY17/18.

Internal Audit Department

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

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

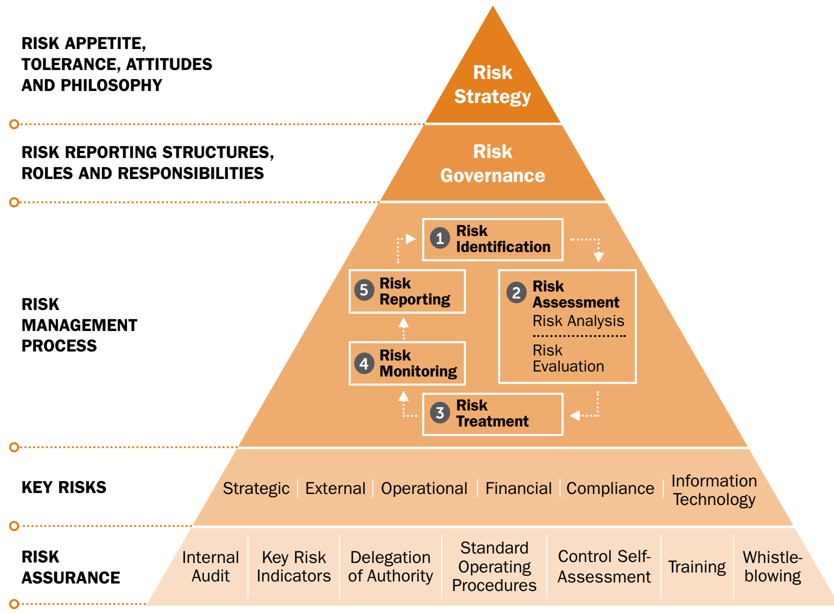
Mapletree adopts the principle of providing regular and timely communication with its shareholders, as well as ensuring equal access to information.

1 Upon completion of the Proposed Acquisition of six Japan office assets on 25 May 2018, Mapletree Greater China Commercial Trust (MGCCT) was renamed Mapletree North Asia Commercial Trust (MNACT) and Mapletree Greater China Commercial Trust Management Ltd, the Manager, was renamed Mapletree North Asia Commercial Trust Management Ltd.

SUSTAINABILITY RISK MANAGEMENT

Risk management continues to be an integral part of Mapletree's business strategy of delivering strong earnings and sustainable returns. To safeguard and create 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.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



STRONG OVERSIGHT AND GOVERNANCE

The Board of Directors (Board) determines 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 set out the nature and extent of risks to take to achieve the Group's business objectives. The Board is assisted by the Audit and Risk Committee (AC), which comprises Independent Directors whose collective experience and knowledge serve to guide and challenge the Management. The AC has direct access to the Risk Management (RM) department, which it engages with quarterly as part of its review of Mapletree's portfolio risks.

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

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

ROBUST MEASUREMENT AND ANALYSIS

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

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 as well as 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 during 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

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

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

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

External Risks

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

Operational Risks

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

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

The Group has a business continuity plan and a crisis communication plan that should enable it to resume operations with minimal disruption and loss in the event of unforeseen catastrophic events such as terrorist attacks or natural disasters. Mapletree's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

Financial Risks

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

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

Compliance Risks

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

Information Technology (IT) Risks

The threat of cybersecurity attacks continues to be a concern as such attacks become increasingly sophisticated. Mapletree has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. The Group's IT disaster recovery plan is in place and tested annually to ensure that Mapletree's business recovery objectives are met. In addition, network 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 by highlighting risks that have escalated beyond established tolerance levels. The Management has also established required actions to be taken when risk thresholds are breached.

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

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FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The Directors present their statement to the member together with the audited statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity of the Company and the Group, and the audited consolidated statement of cash flows of the Group for the financial year ended 31 March 2018.

In the opinion of the Directors,

(a) The statements of profit or loss, statements of comprehensive income, statements of financial position and statement of changes in equity of the Company and the Group and the consolidated statement of cash flows of the Group set out on pages 116 to 204 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 2018 and the financial performance and changes in equity of the Company and of the Group and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those disclosed under "Mapletree Performance Share Units Plan", "Mapletree Restricted Share Units Plan" and "Mapletree NED Restricted Share Units Plan" on pages 111 to 112 of this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.03.18	At 01.04.17	**At 31.03.18**	At 01.04.17
Singapore Technologies Engineering Ltd				
(Ordinary shares)				
Hiew Yoon Khong	**–**	–	**30,000**	30,000
Singapore Telecommunications Limited				
(Ordinary shares)				
Ma Kah Woh Paul	**190**	190	**190**	190
Wong Meng Meng	**1,667**	1,667	**1,550**	1,550
Cheah Kim Teck	**177**	177	**–**	–
StarHub Ltd				
(Ordinary shares)				
Ma Kah Woh Paul	**96,580**	81,780	**–**	–
Lee Chong Kwee	**20,000**	20,000	**–**	–
SIA Engineering Company Limited				
(Ordinary shares)				
Cheah Kim Teck	**10,000**	10,000	**–**	–

SHARE-BASED COMPENSATION PLANS

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

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

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

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

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

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

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

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

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

	Outstanding as at 31.03.18	Outstanding as at 31.03.17
Hiew Yoon Khong		
– PSU to be released after 31.03.2017	**–**	757,500 (1)
– PSU to be released after 31.03.2018	**397,820 (1)**	397,820 (1)
– PSU to be released after 31.03.2019	**988,372 (1)**	988,372 (1)
– PSU to be released after 31.03.2020	**1,503,106 (1)**	1,503,106 (1)
– PSU to be released after 31.03.2021	**1,603,615 (1)**	1,603,615 (1)
– PSU to be released after 31.03.2022	**1,424,390 (1)**	–
– RSU to be released after 31.03.2015	**–**	119,492 (3)
– RSU to be released after 31.03.2016	**166,994 (3)**	333,988 (4)
– RSU to be released after 31.03.2017	**401,873 (4)**	482,247 (2)
– RSU to be released after 31.03.2018	**413,598 (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 4 November 2009.

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

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

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

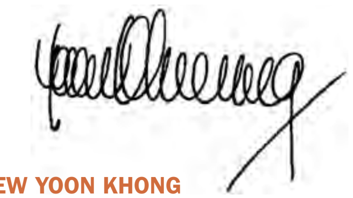
	Outstanding as at 31.03.18	Outstanding as at 31.03.17
Cheng Wai Wing Edmund	**62,248**	60,668
David Christopher Ryan	**19,080**	13,372
Lee Chong Kwee	**36,846**	35,772
Ma Kah Woh Paul	**38,483**	38,006
Marie Elaine Teo	**4,929**	–
Samuel N. Tsien	**11,231**	7,470
Tsang Yam Pui	**14,485**	8,866
Wong Meng Meng	**27,076**	20,992

INDEPENDENT AUDITOR

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

On behalf of directors

CHENG WAI WING EDMUND
Chairman



HIEW YOON KHONG
Group Chief Executive Officer/ Director

16 May 2018

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, statements of financial position and statement of changes in equity of Mapletree Investments Pte Ltd ("the Company") and its subsidiaries ("the Group") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance and changes in equity of the Company for the financial year ended on that date, and of consolidated financial position of the Group and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the statements of profit or loss for the year ended 31 March 2018;
- the statements of comprehensive income for the year then ended;
- the statements of financial position as at 31 March 2018;
- the statement of changes in equity – Group for the year then ended;
- the statement of changes in equity – Company for the year then ended;
- the consolidated statement of cash flows for the 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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 16 May 2018

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Revenue	4	**3,194,401**	2,328,835	**846,488**	1,778,353
Other gains – net	5	**1,968,042**	1,125,865	**3,045**	3,080
Expenses					
– Depreciation and amortisation		**(21,364)**	(11,707)	**(5,394)**	(4,539)
– Employee compensation	6	**(410,156)**	(309,801)	**(145,294)**	(170,113)
– Utilities and property maintenance		**(254,206)**	(184,268)	**(700)**	(659)
– Property and related taxes		**(168,665)**	(145,773)	**(205)**	(61)
– Marketing and promotion expenses		**(45,570)**	(30,108)	**(7,537)**	(6,101)
– Professional fees		**(61,287)**	(67,127)	**(6,648)**	(1,353)
– Property rental expenses		**(507,723)**	(43,033)	**(5,529)**	(4,139)
– Cost of residential properties sold		**(9,730)**	–	**–**	–
– Others		**(97,697)**	(66,818)	**(10,475)**	(9,664)
		3,586,045	2,596,065	**667,751**	1,584,804
Finance cost		**(372,700)**	(339,969)	**–**	–
Finance income		**10,525**	8,288	**34,912**	16,270
Finance (cost)/income – net	7	**(362,175)**	(331,681)	**34,912**	16,270
Share of profit of associated companies		**246,086**	103,034	**–**	–
Share of profit/(loss) of joint ventures		**19,085**	(663)	**–**	–
Profit before income tax		**3,489,041**	2,366,755	**702,663**	1,601,074
Income tax (expense)/credit	8(a)	**(299,712)**	(198,743)	**(17,758)**	21,376
Profit for the financial year		**3,189,329**	2,168,012	**684,905**	1,622,450
Profit attributable to:					
Equity holder of the Company		**1,873,683**	1,349,590	**684,905**	1,622,450
Perpetual securities holders		**84,951**	64,099	**–**	–
Non-controlling interests		**1,230,695**	754,323	**–**	–
		3,189,329	2,168,012	**684,905**	1,622,450

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Profit for the financial year		**3,189,329**	2,168,012	**684,905**	1,622,450
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**	4,426	**–**	–
– Realised and transferred to profit or loss		**(48,206)**	–	**–**	–
Cash flow hedges					
– Fair value gain/(losses)		**37,572**	(17,252)	**–**	–
– Realised and transferred to profit or loss	7	**(6,858)**	34,327	**–**	–
Currency translation differences		**(240,471)**	45,588	**–**	–
Share of other comprehensive income of associated companies/joint ventures					
– Fair value gains on cash flow hedges		**4,170**	666	**–**	–
– Currency translation differences		**5,828**	(22,358)	**–**	–
Items that will not be reclassified subsequently to profit or loss:					
Revaluation gains on property, plant and equipment		**4,011**	12,866	**–**	–
Other comprehensive (loss)/income for the financial year, net of tax		**(240,731)**	58,263	**–**	–
Total comprehensive income for the financial year		**2,948,598**	2,226,275	**684,905**	1,622,450
Total comprehensive income attributable to:					
Equity holder of the Company		**1,783,211**	1,370,512	**684,905**	1,622,450
Perpetual securities holders		**84,951**	64,099	**–**	–
Non-controlling interests		**1,080,436**	791,664	**–**	–
		2,948,598	2,226,275	**684,905**	1,622,450

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**1,267,605**	1,179,823	**15,487**	11,245
Derivative financial instruments	21	**95,543**	22,287	**–**	–
Trade and other receivables	10	**551,546**	485,992	**4,819,992**	3,354,933
Properties held for sale		**87,489**	41,157	**–**	–
Other assets	11	**630,611**	270,270	**358,763**	107,741
Inventories		**12,383**	17,134	**–**	–
		2,645,177	2,016,663	**5,194,242**	3,473,919
Non-current assets					
Trade and other receivables	10	**66,788**	58,946	**1,868,087**	2,121,193
Available-for-sale financial assets	12	**69,564**	142,965	**–**	–
Derivative financial instruments	21	**72,718**	88,272	**–**	–
Investments in associated companies	13	**1,345,322**	1,124,323	**–**	–
Investments in joint ventures	14	**164,114**	154,640	**–**	–
Investments in subsidiaries	15	**–**	–	**1,444,016**	2,144,471
Investment properties	16	**37,422,330**	30,686,434	**–**	–
Properties under development	17	**409,803**	1,662,550	**–**	–
Property, plant and equipment	18	**165,296**	175,568	**8,479**	7,456
Intangible assets	19	**209,468**	144,045	**4,623**	6,041
Other assets	11	**4,445**	4,776	**–**	–
Deferred income taxes	23	**–**	–	**20,502**	22,175
		39,929,848	34,242,519	**3,345,707**	4,301,336
Total assets		**42,575,025**	36,259,182	**8,539,949**	7,775,255
LIABILITIES					
Current liabilities					
Trade and other payables	20	**1,052,377**	1,044,495	**465,612**	195,708
Derivative financial instruments	21	**26,882**	41,111	**–**	–
Borrowings	22	**2,162,347**	1,125,374	**–**	–
Current income tax liabilities		**138,629**	142,236	**11,261**	7,774
Finance lease liabilities		**1,627**	2,104	**–**	–
		3,381,862	2,355,320	**476,873**	203,482
Non-current liabilities					
Trade and other payables	20	**361,279**	320,254	**106,783**	89,585
Derivative financial instruments	21	**44,399**	105,867	**–**	–
Borrowings	22	**14,461,142**	11,970,093	**–**	–
Finance lease liabilities		**1,778**	3,215	**–**	–
Deferred income taxes	23	**407,584**	280,614	**–**	–
		15,276,182	12,680,043	**106,783**	89,585
Total liabilities		**18,658,044**	15,035,363	**583,656**	293,067
NET ASSETS		**23,916,981**	21,223,819	**7,956,293**	7,482,188
EQUITY					
Share capital	24	**3,094,307**	3,094,307	**3,094,307**	3,094,307
Retained earnings		**9,735,235**	8,073,969	**4,861,986**	4,387,881
Foreign currency translation reserve		**(111,927)**	(34,084)	**–**	–
Revaluation reserve		**16,877**	12,866	**–**	–
Hedge reserve		**19,369**	(8,974)	**–**	–
Fair value reserve		**–**	44,983	**–**	–
Capital and other reserves		**32,044**	1,005	**–**	–
Shareholder's funds		**12,785,905**	11,184,072	**7,956,293**	7,482,188
Perpetual securities	25	**1,760,018**	1,817,833	**–**	–
Non-controlling interests	36	**9,371,058**	8,221,914	**–**	–
Total equity		**23,916,981**	21,223,819	**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 2018

	Note	Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Hedge reserve $'000	Fair value reserve $'000	Capital and other reserves $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 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 relating to 2017 paid	32	–	(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	25	–	–	–	–	–	–	–	872,641	–	872,641
Redemption of Perpetual securities	25	–	(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)**
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 – GROUP

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Hedge reserve $'000	Fair value reserve $'000	Capital and other reserves $'000	Perpetual securities $'000	Non-controlling interests $'000	Total equity $'000
At 1 April 2016		**3,094,307**	**6,883,564**	**(29,261)**	**–**	**(17,427)**	**40,557**	**(30,408)**	**941,086**	**7,177,323**	**18,059,741**
Profit for the financial year		–	1,349,590	–	–	–	–	–	64,099	754,323	2,168,012
Other comprehensive (loss)/income for the financial year		–	–	(4,823)	12,866	8,453	4,426	–	–	37,341	58,263
Total comprehensive income/(loss) for the financial year		**–**	**1,349,590**	**(4,823)**	**12,866**	**8,453**	**4,426**	**–**	**64,099**	**791,664**	**2,226,275**
Dividend relating to 2016 paid	32	–	(164,600)	–	–	–	–	–	–	–	(164,600)
Dividend paid to non-controlling interests		–	–	–	–	–	–	–	–	(510,494)	(510,494)
Restricted profits		–	(770)	–	–	–	–	770	–	–	–
Capital contribution from non-controlling interests, net of transaction costs		–	–	–	–	–	–	13,731	–	835,070	848,801
Dilution of interest in subsidiaries to non-controlling interests		–	–	–	–	–	–	16,912	–	(9,601)	7,311
Deconsolidation of a subsidiary		–	–	–	–	–	–	–	–	(62,048)	(62,048)
Perpetual securities issued, net of issuance costs	25	–	–	–	–	–	–	–	867,562	–	867,562
Perpetual securities – distribution paid		–	–	–	–	–	–	–	(54,914)	–	(54,914)
Tax credit arising from perpetual securities distribution	8(c)	–	6,185	–	–	–	–	–	–	–	6,185
Total transactions with owners, recognised directly in equity		**–**	**(159,185)**	**–**	**–**	**–**	**–**	**31,413**	**812,648**	**252,927**	**937,803**
At 31 March 2017		**3,094,307**	**8,073,969**	**(34,084)**	**12,866**	**(8,974)**	**44,983**	**1,005**	**1,817,833**	**8,221,914**	**21,223,819**

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

STATEMENT OF CHANGES IN EQUITY – COMPANY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
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 relating to 2017 paid	32	–	(210,800)	(210,800)
As at 31 March 2018		**3,094,307**	**4,861,986**	**7,956,293**
As at 1 April 2016		3,094,307	2,930,031	6,024,338
Total comprehensive income for the financial year		–	1,622,450	1,622,450
Dividend relating to 2016 paid	32	–	(164,600)	(164,600)
As at 31 March 2017		3,094,307	4,387,881	7,482,188

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit for the financial year		**3,189,329**	2,168,012
Adjustments for:			
– Income tax expense		**299,712**	198,743
– Write-back/written off and provision for doubtful debts		**1,382**	320
– Amortisation of rent-free incentives		**(16,725)**	(9,562)
– Depreciation and amortisation		**21,364**	11,707
– Impairment loss on intangibles and non-trade receivables due from an associated company		**17,483**	–
– Property, plant and equipment written-off and gain on disposal of property, plant and equipment		**12**	36
– Corporate restructuring surplus on disposal of subsidiaries	37(c)	**–**	(153,509)
– (Gain)/loss on disposal of investment properties		**(40,748)**	3,113
– Gain on disposal of available-for-sale financial assets		**(47,645)**	–
– Loss on disposal of an associated company		**15,670**	–
– Finance cost – net		**362,175**	331,681
– Revaluation gain on investment properties and properties under development – net		**(1,921,622)**	(996,818)
– Fair value changes in financial derivatives		**(58,269)**	27,208
– Share of profit of associated companies and joint ventures – net		**(265,171)**	(102,371)
– Dividend income		**(1,068)**	(4,198)
– Unrealised currency translation losses		**82,586**	50,932
Operating cash flow before working capital changes		**1,638,465**	1,525,294
Changes in operating assets and liabilities			
– Trade and other receivables		**(14,963)**	(68,399)
– Inventories		**3,568**	(1,310)
– Other assets		**3,402**	(5,231)
– Trade and other payables		**62,852**	122,350
– Properties held for sale		**(13,591)**	–
Cash generated from operations		**1,679,733**	1,572,704
Income tax paid		**(181,149)**	(134,332)
Net cash generated from operating activities		**1,498,584**	1,438,372
Cash flows from investing activities			
Loan to a non-related party		**(5,049)**	(4,004)
Cash received on behalf of an associated company		**–**	10,603
Payment to non-trade receivable due from an associated company		**(8,748)**	–
Proceeds from non-trade receivable due from an associated company		**19,106**	–
Proceeds from disposal of available-for-sale financial assets		**75,893**	–
Payments for investments in associated companies and joint ventures		**(118,030)**	(375,406)
Capital return from associated companies and joint ventures		**6,376**	115,699
Dividend received from associated companies and joint ventures		**48,989**	22,420
Deposit for investment properties		**(352,038)**	(154,014)
Prepayments for properties under development		**(150,851)**	(41,649)
Payments for investment properties		**(2,668,346)**	(1,426,449)
Payments for properties under development		**(595,224)**	(623,579)
Proceeds from divestment of investment properties		**203,657**	14,088
Payments for intangible assets and property, plant and equipment		**(19,396)**	(7,078)
Proceeds from disposals of property, plant and equipment		**168**	375
Dividend received from third parties		**1,068**	4,198
Interest received		**8,912**	6,092
Acquisition of subsidiaries, net of cash acquired	37	**(1,078,616)**	(578,145)
Disposal of an associated company, net of cash disposed		**90,026**	–
Disposal of subsidiaries, net of cash disposed	37(c)	**–**	266,314
Net cash used in investing activities		**(4,542,103)**	(2,770,535)

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

	Note	2018 $'000	2017 $'000
Cash flows from financing activities			
Repayment of bank loans		**(7,937,676)**	(11,186,890)
Repayment of medium term notes		**(90,000)**	–
Proceeds from issuance of medium term notes		**520,000**	587,692
Proceeds from bank loans		**11,246,425**	11,358,625
Proceeds from loan from non-controlling interests		**43,897**	105,738
Repayment of loan from non-controlling interests		**(22,118)**	–
Repayment of finance lease liabilities		**(1,814)**	–
Dividends paid		**(210,800)**	(164,600)
Perpetual securities redemption		**(950,000)**	–
Perpetual securities distribution paid		**(80,504)**	(54,914)
Proceeds from issuance of perpetual securities, net of transaction costs		**872,641**	867,562
Interest paid on bank borrowings, derivative financial instruments and medium term notes		**(341,210)**	(340,581)
Interest paid on loan from a non-controlling interest		**–**	(1,051)
Financing fees paid		**(10,798)**	(18,256)
Proceeds from dilution of interest in subsidiaries to a non-controlling interest		**3,381**	7,311
Capital contribution from non-controlling interests – net		**669,811**	835,671
Cash dividend paid to non-controlling interests		**(570,254)**	(497,364)
Net cash generated from financing activities		**3,140,981**	1,498,943
Net increase in cash and cash equivalents held		**97,462**	166,780
Cash and cash equivalents at beginning of financial year	9	**1,179,823**	1,026,970
Effect of exchange rate changes on balances held in foreign currencies		**(9,680)**	(13,927)
Cash and cash equivalents at end of the financial year	9	**1,267,605**	1,179,823

SIGNIFICANT NON-CASH TRANSACTIONS

For the financial year ended 31 March 2017, dividends of $13.1 million were paid to non-controlling interests in the form of units in subsidiaries.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank loans $'000	Medium term notes $'000	Loan from Non-controlling interests $'000	Finance lease liabilities $'000
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 a subsidiary	12,250	–	–	–
– Financing fees expense	8,903	972	–	233
– Foreign exchange movement	(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 2018

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

1. GENERAL INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

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

Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

2.2 Revenue recognition

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

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

(a) Leasing income

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

Leasing income from corporate housing operations 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(b) Income from hotel operations

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

(c) Rendering of services

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

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

(d) Interest income

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

(e) Dividend income

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

(f) Sale of residential properties

Revenue on properties held for sales are recognised in profit or loss only when the risks and rewards of ownership have been transferred to the buyer through the transfer of legal title.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

(iii) Disposals

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

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

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

(b) Transactions with non-controlling interests

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(c) Associated companies and joint ventures

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

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

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

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

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

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

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

(iii) Disposals

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

(a) Measurement

Leasehold land and building

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

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

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

Other assets

Other assets comprise mainly furniture, machinery and office equipment. These assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

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

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

(a) Acquired intangible assets

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

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

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

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

(i) Computer software licenses

Acquired computer software licenses are amortised to profit or loss using the straight-line method over their estimated useful lives of three to 10 years.

(ii) Trade names

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

(iii) Customer-related intangibles

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

(iv) Concessionary agreement

A concessionary agreement was acquired in business combination and relates to the public licenses 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 bear remaining useful life of 9.5 years.

(b) Goodwill on acquisitions

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Borrowing costs

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

2.7 Investment properties and properties under development

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

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

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

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

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

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

2.8 Properties held for sale

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

The cost of 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 statements of financial position.

2.9 Investments in subsidiaries, associated companies and joint ventures

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

(b) Other non-financial assets

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

(a) Classification

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

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "Cash and cash equivalents" (Note 9), "Trade and other receivables" (Note 10) and "Other assets" (Note 11) on the statements of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

(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)

2.11 Financial assets (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 evidences that these financial assets are impaired.

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

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

(ii) Available-for-sale financial assets

A significant or prolonged decline in the fair value of an equity security below its cost and/or the disappearance of an active trading market for the security is considered as an indicator that the available-for-sale financial asset is impaired.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Such contracts are classified as financial liabilities or as insurance contracts.

(a) Financial guarantees classified as financial liabilities

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Intra-group transactions are eliminated on consolidation.

(b) Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

Intra-group transactions are eliminated on consolidation.

2.13 Borrowings

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

Borrowings which are due to be settled within 12 months after the reporting date are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the reporting date are presented as non-current borrowings in the statements of financial position.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps to hedge its interest rate and foreign currency risk exposures.

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

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

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

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

(a) Cash flow hedge

(i) Interest rate swaps

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

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedge reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Derivative financial instruments and hedging activities (continued)

(a) Cash flow hedge (continued)

(iii) Cross currency interest rate swaps

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowing and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense and/or exchange differences from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(b) Net investment hedge

The Group has derivative financial instruments/borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the hedging instruments relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(c) Fair value hedge

The Group has entered into fixed to floating interest rate swaps that are fair value hedges for the fair value exposures to interest rate movements of its borrowings ("hedged item"). The fair value changes on the hedged item resulting from the fair value risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

2.16 Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

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

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

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.19 Leases

(a) When the Group is the lessee:

Operating leases

Leases where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

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

(b) When the Group is the lessor:

Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

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

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Income taxes (continued)

Deferred income tax is measured:

(i) At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) Based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from business combination is adjusted against goodwill on acquisition.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

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

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) Share-based compensation

The Group operates the following share-based compensation plans:

(i) Company

The Company operates the Mapletree Performance Share Units Plan ("Mapletree PSU Plan"), Mapletree Restricted Share Units Plan ("Mapletree RSU Plan") and Mapletree NED Restricted Share Units Plan ("Mapletree NED RSU Plan").

(ii) Subsidiaries

The Group's wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd, each operate a Performance Share Units Plan ("REIT PSU Plan") and a Restricted Share Units Plan ("REIT RSU Plan").

Equity-settled share-based compensation is measured at fair value at the date of grant, whereas cash-settled share-based compensation is measured at current fair value at each reporting date. In estimating the fair value of the compensation cost at grant date, market-based performance conditions are taken into account. The compensation cost is recognised as an expense in profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employees under the respective plans over the vesting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee compensation (continued)

(c) Share-based compensation (continued)

For equity-settled share-based compensation, any change in fair value of the compensation cost at year end, arising from a change in the estimate of the number of rights/units that are expected to become exercisable on the vesting date, is recognised in profit or loss, with a corresponding adjustment to the share compensation reserve over the remaining vesting period.

For cash-settled share-based compensation, any change in fair value of the compensation cost, arising from the re-measurement of liability at each reporting date, is recognised in profit or loss, with a corresponding adjustment to the liability over the remaining vesting period.

When an equity-settled share-based compensation award is modified to become a cash-settled award, this is accounted for as a repurchase of an equity interest. Any excess over the fair value at the date of the grant is treated as a deduction from equity, provided the deduction is not greater than the fair value of the equity instruments when measured at the modification date. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

The compensation cost for the respective PSU Plans and RSU Plans are measured based on the latest estimate of the number of units that will be awarded based on non-market vesting conditions at each reporting date. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

The compensation cost for the Mapletree NED RSU Plan is based on the number of units awarded at the date of grant. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

Where the terms of the share-based compensation plans are modified, the expense that is not yet recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the rights/units due to the modification, as measured at the date of the modification.

2.22 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Currency translation (continued)

(b) Transactions and balances (continued)

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated foreign currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses are presented in profit or loss within "Other gains – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Committee ("EMC") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings on the statements of financial position.

2.25 Share capital and perpetual securities

Ordinary shares, perpetual securities and redeemable preference shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entities that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new ordinary or redeemable preference shares or perpetual securities are shown in equity as a deduction, net of tax, from proceeds. The proceeds received net of any directly attributable transaction costs are credited to share capital or perpetual securities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Dividends

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

2.27 Government grants

Government grants are recognised as receivables at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment

Investment properties (Note 16), properties under development (Note 17) and leasehold land and building classified under property, plant and equipment (Note 18) are stated at fair value based on valuation primarily by independent professional valuers. The fair values are based on highest and best use basis.

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flows, direct comparison method and residual value method, where appropriate (Note 29).

The fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment are as disclosed in the respective notes.

(b) Income tax

The Group has exposure to taxes in numerous jurisdictions. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. Significant estimates and assumptions are required to determine the amount of current and deferred tax that can be recognised, and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the statement of financial position.

(c) Acquisition of real estate assets

The Group acquires properties either directly or indirectly through the purchase of entities which own these properties. At the time of acquisition, the Group considers whether the purchase of entities constitute a business combination. In cases where the property is capable of being operated as a business, or an integrated set of activities is acquired in addition to the property, the Group accounts for the acquisition as a business combination. When the acquisition does not represent a business, it is accounted for as a purchase of a group of assets and liabilities. In making this distinction, the Group identifies and considers the assets purchased and processes transferred ("elements"), assesses the capability of those elements to generate economic benefits and assesses the impact of any missing elements on a third party's ability to generate economic benefits.

Based on management's assessment, all properties acquired during the financial year did not represent acquisition of businesses.

4. REVENUE

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Leasing income from				
– Investment properties	**1,897,783**	1,785,117	**–**	–
– Corporate housing operations	**724,081**	55,478	**–**	–
Income from hotel operations	**37,270**	33,202	**–**	–
Sales of residential properties	**11,769**	–	**–**	–
Service charge	**258,610**	226,727	**–**	–
Fees from management services				
– Subsidiaries	**–**	–	**134,790**	119,035
– Others	**90,620**	78,863	**–**	–
Car parking fees	**48,849**	49,084	**–**	–
Dividend income from third parties	**1,068**	4,198	**–**	–
Dividend income from subsidiaries	**–**	–	**711,546**	1,659,190
Interest income from loan to a non-related party	**3,872**	3,410	**–**	–
Other operating income	**120,479**	92,756	**152**	128
	3,194,401	2,328,835	**846,488**	1,778,353

5. OTHER GAINS – NET

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Amortisation of financial guarantee contracts	**–**	–	**3,045**	3,080
Revaluation gain on investment properties and properties under development – net	**1,921,622**	996,818	**–**	–
Corporate restructuring surplus on disposal of subsidiaries (Note 37(c))	**–**	153,509	**–**	–
Gain/(loss) on disposal of:				
– Investment properties	**40,748**	(3,113)	**–**	–
– Associated company	**(15,670)**	–	**–**	–
– Available-for-sale financial assets	**47,645**	–	**–**	–
	72,723	(3,113)	**–**	–
Impairment loss on non-trade receivables due from an associated company (Note 10)	**(3,879)**	–	**–**	–
Impairment loss on intangible assets (Note 19)	**(13,604)**	–	**–**	–
– Currency exchange (loss)/gain – net	**(67,089)**	5,859	**–**	–
– Changes in fair value of derivative financial instruments	**58,269**	(27,208)	**–**	–
	1,968,042	1,125,865	**3,045**	3,080

The net revaluation gain on investment properties and properties under development attributable to the equity holder of the Company and to non-controlling interests of the Group amounted to $1,218.2 million (2017: $684.6 million) and $703.4 million (2017: $312.2 million) respectively.

6. EMPLOYEE COMPENSATION

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Wages and salaries	**348,525**	274,477	**89,481**	139,889
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	**15,169**	14,014	**9,351**	8,914
Share-based compensation expenses	**46,462**	21,310	**46,462**	21,310
	410,156	309,801	**145,294**	170,113

7. FINANCE (COST)/INCOME – NET

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Financing fees	**(9,875)**	(14,261)	**–**	–
Interest expense				
– Bank loans	**(222,546)**	(204,566)	**–**	–
– Derivative instruments – hedge accounting	**6,858**	(34,327)	**–**	–
– Derivative instruments – non-hedge accounting	**(46,808)**	(8,367)	**–**	–
– Medium term notes	**(91,017)**	(75,537)	**–**	–
– Loans from non-controlling interests of subsidiaries	**(9,079)**	(2,869)	**–**	–
– Finance lease liabilities	**(233)**	(42)	**–**	–
	(362,825)	(325,708)	**–**	–
Interest income				
– Subsidiaries	**–**	–	**34,885**	16,243
– Short-term bank deposits	**7,275**	5,306	**27**	27
– Others	**3,250**	2,982	**–**	–
	10,525	8,288	**34,912**	16,270
	(362,175)	(331,681)	**34,912**	16,270

8. INCOME TAX EXPENSE/(CREDIT)

(a) Income tax expense/(credit)

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Tax expense/(credit) attributable to profit is made up of:				
Profit for the financial year:				
Current income tax				
– Singapore	**79,754**	76,623	**5,331**	1,974
– Foreign	**52,823**	56,769	**–**	–
	132,577	133,392	**5,331**	1,974
Deferred income tax	**146,450**	46,277	**(1,944)**	(10,970)
Withholding tax	**46,951**	22,108	**–**	–
	325,978	201,777	**3,387**	(8,996)
(Over)/Under provision in prior financial years:				
– Current income tax	**(14,722)**	(7,648)	**(900)**	30
– Deferred income tax	**(11,544)**	4,614	**15,271**	(12,410)
	299,712	198,743	**17,758**	(21,376)

8. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

(a) Income tax expense/(credit) (continued)

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Profit before income tax	3,489,041	2,366,755	702,663	1,601,074
Share of results of associates and joint ventures, net of tax	(265,171)	(102,371)	–	–
Profit before share of results of associates and joint ventures	3,223,870	2,264,384	702,663	1,601,074
Tax calculated at a tax rate of 17% (2017: 17%)	548,058	384,945	119,453	272,183
Effects of:				
– Singapore statutory stepped income exemption	(2,884)	(2,519)	(36)	(36)
– Income not subject to tax	(320,304)	(242,754)	(121,481)	(282,622)
– Expenses not deductible for tax purposes	56,406	47,891	5,451	1,479
– Effects of different tax rates in other countries	41,714	9,983	–	–
– Deferred tax benefits not recognised	5,284	4,860	–	–
– (Over)/Under provision in prior financial years	(26,266)	(3,034)	14,371	(12,380)
– Others	(2,296)	(629)	–	–
Tax charge/(credit) on profit for the financial year	299,712	198,743	17,758	(21,376)

(b) Tax charge of $6.6 million (2017: $1.0 million) relating to fair value changes and reclassification adjustments on cash flow hedges has been included in other comprehensive income.

(c) Tax credit of $10.6 million (2017: $6.2 million) relating to perpetual securities distribution has been recognised directly in equity.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Cash at bank and on hand	1,021,612	881,735	11,487	8,236
Short-term bank deposits	245,993	298,088	4,000	3,009
	1,267,605	1,179,823	15,487	11,245

Short-term bank deposits of the Group and the Company at the reporting date had an average maturity of 67 days and 118 days respectively (2017: 49 days and 38 days) from the end of the financial year. The effective interest rates at reporting date ranged from 0.75% to 5.75% and 0.75% to 0.85% respectively (2017: 0.30% to 4.70% and 0.30% to 0.38%) per annum and the interest rates are re-priced upon maturity.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current				
Trade receivables:				
– Subsidiaries	–	–	26,475	9,158
– Associated companies	36,783	21,147	–	–
– Non-related parties	124,717	138,420	–	–
	161,500	159,567	26,475	9,158
Less: Allowance for impairment of receivables from non-related parties	(856)	(1,060)	–	–
Trade receivables – net	160,644	158,507	26,475	9,158
Deposits placed with a subsidiary	–	–	4,105,806	2,633,809
Loan to a non-controlling interest of a subsidiary	147,408	147,558	–	–
Interest receivable:				
– Subsidiaries	–	–	13,990	6,881
– Non-related parties	4,547	4,342	–	–
	4,547	4,342	13,990	6,881
Dividend receivable	–	5,382	252,500	287,300
Value-added tax – net	17,665	–	825	600
Non-trade receivables due from subsidiaries	–	–	420,395	417,003
Non-trade receivables due from an associated company	–	18,481	–	–
Sundry debtors	52,352	19,759	1	–
Accrued revenue	168,930	131,963	–	182
	238,947	175,585	673,721	705,085
	551,546	485,992	4,819,992	3,354,933
Non-current				
Non-trade receivables due from associated companies	10,836	2,053	–	–
Less: Allowance for impairment of receivables from an associated company	(3,879)	–	–	–
Non-trade receivables due from associated companies – net	6,957	2,053	–	–
Loans to a non-related party	58,507	48,989	–	–
Loans to subsidiaries	–	–	1,868,087	2,121,193
Accrued revenue	1,324	7,904	–	–
	66,788	58,946	1,868,087	2,121,193
	618,334	544,938	6,688,079	5,476,126

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Current

(a) Deposits placed with a subsidiary mature within nine months (2017: six months) from the end of the financial year. The effective interest rates on the deposits at reporting date ranged from 0.84% to 1.39% (2017: 0.84% to 1.11%) per annum. The interest rates are re-priced upon maturity.

(b) Non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

(c) The loan to a non-controlling interest of a subsidiary is secured and bears interest at 1% (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.

(d) The non-trade receivables due from an associated company outstanding as at 31 March 2017 was unsecured, interest-free and expected to be repaid in the next 12 months.

Non-current

(a) The loans to a non-related party are secured, bears interest at 7% (2017: 7%) per annum plus a variable component based on the gross profit of the borrower and are repayable in full from April 2019 to September 2021 (2017: April 2018 to October 2021). The variable component will be computed and recognised on the repayment date. The carrying amount of the loans approximates its fair value.

(b) The loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, although repayments are not expected within the next 12 months.

There is no allowance for doubtful debts arising from these outstanding balances.

(c) Non-trade receivables due from associated companies are unsecured, interest-free and repayments are not expected within the next 12 months.

11. OTHER ASSETS

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**389,901**	145,433	**357,123**	106,791
Prepayments	**240,710**	124,837	**1,640**	950
	630,611	270,270	**358,763**	107,741
Non-current				
Deposits	**3,045**	3,276	**–**	–
Prepayments	**1,400**	1,500	**–**	–
	4,445	4,776	**–**	–
	635,056	275,046	**358,763**	107,741

Deposits

As at 31 March 2018, deposits amounting to approximately $352.0 million were placed in accordance with arrangements entered into prior to financial year end to acquire three portfolios of logistics assets in the United States and Europe.

As at 31 March 2017, a deposit amounting to approximately $106.6 million was placed to acquire a portfolio of student accommodation and multi-family assets in the United States and Canada. The acquisition was completed on 31 May 2018 (Note 37(b)).

11. OTHER ASSETS (CONTINUED)

Prepayments

As at 31 March 2018, there were six (2017: four) acquired land parcels in the People's Republic of China ("PRC") and one (2017: one) development under construction in Japan amounting to approximately $161.5 million (2017: $52.3 million), pending receipt of their respective land certificates from the respective authorities. Accordingly, the considerations paid prior to financial year end were classified as prepayments as at financial year end.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2018	2017
	$'000	$'000
At 1 April	**142,965**	138,378
Fair value gains recognised in other comprehensive income	**3,223**	4,426
Disposals	**(76,454)**	–
Currency translation differences	**(170)**	161
At 31 March	**69,564**	142,965
Quoted equity securities – Singapore and Hong Kong SAR	**–**	73,401
Unquoted equity securities	**69,564**	69,564
	69,564	142,965

13. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2018	2017
	$'000	$'000
Unquoted equity and preference shares, at cost	**1,140,323**	1,030,130
Loans to associated companies	**12,112**	91,710
Share of post-acquisition reserves	**192,887**	2,483
	1,345,322	1,124,323

The loans to associated companies are considered as part of the Group's investments in associated companies, unsecured, interest-free and have no fixed terms of repayment, although repayment is not expected within the next 12 months.

Details of associated companies are provided in Note 35. The Group's investments in associated companies and share of results individually represent less than 2% and cumulatively less than 10% of the Groups' consolidated net profits and net assets.

The following represents the aggregate amount of the Group's share in the net profit and total comprehensive income/(loss) of associated companies and their carrying amounts:

	Group	
	2018	2017
	$'000	$'000
Net profit	**246,086**	103,034
Other comprehensive income/(loss), net of tax	**17,823**	(22,623)
Total comprehensive income	**263,909**	80,411
Carrying value	**1,345,322**	1,124,323

14. INVESTMENTS IN JOINT VENTURES

	Group 2018 $'000	Group 2017 $'000
Unquoted equity shares, at cost	**151,642**	151,642
Loan to a joint venture	**23,049**	24,835
Share of post-acquisition reserves	**(10,577)**	(21,837)
	164,114	154,640

Details of joint venture companies are provided in Note 35. The Group's investments in joint venture companies 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 considered as part of the Group's investment in the joint venture, unsecured, bears interest ranging from 2.80% to 3.23% (2017: 2.27% to 2.84%) per annum and is 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/(loss) of joint ventures and their carrying amounts:

	Group 2018 $'000	Group 2017 $'000
Net profit/(loss)	**19,085**	(663)
Other comprehensive (loss)/income, net of tax	**(7,825)**	931
Total comprehensive income	**11,260**	268
Carrying value	**164,114**	154,640

15. INVESTMENTS IN SUBSIDIARIES

	Company 2018 $'000	Company 2017 $'000
Unquoted equity shares, at cost	**596,690**	1,297,145
Unquoted redeemable convertible preference shares, at cost	**894,200**	894,200
	1,490,890	2,191,345
Financial guarantees	**115,946**	115,946
Less: Accumulated impairment losses	**(162,820)**	(162,820)
	1,444,016	2,144,471

Details of significant subsidiaries and summarised financial information of subsidiaries with material non-controlling interests are provided in Note 35 and Note 36 respectively.

Control without majority equity interest and voting power

Under FRS 110 Consolidated Financial Statements, control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group assessed that it controls Mapletree Commercial Trust ("MCT"), Mapletree Greater China Commercial Trust ("MGCCT"), Mapletree Industrial Trust ("MIT") and Mapletree Logistics Trust ("MLT") (collectively the "REITs") although the Group owns less than half of the equity interest and voting power of the REITs as disclosed in Note 35. The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely, Mapletree Commercial Trust Management Ltd, Mapletree Greater China Commercial Trust Management Ltd, Mapletree Industrial Trust Management Ltd and Mapletree Logistics Trust Management Ltd respectively (collectively the "REIT Managers"). The REIT Managers have decision-making authority over the REITs subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure. Accordingly, the Group concluded that it has control over the REITs and consolidated these investees. Summarised financial information of the REITs are disclosed in Note 36.

16. INVESTMENT PROPERTIES

	Group 2018 $'000	Group 2017 $'000
Completed investment properties		
At 1 April	**30,386,799**	27,567,136
Additions	**2,498,711**	1,260,848
Acquisition of subsidiaries with properties (Note 37)	**1,137,808**	1,332,137
Disposals	**(162,909)**	(38,851)
Disposal of subsidiaries with properties (Note 37(c))	**–**	(2,052,667)
De-consolidation of a subsidiary	**–**	(134,818)
Transfer from properties under development (Note 17)	**1,824,640**	716,869
Transfer from investment properties under redevelopment	**381,821**	908,861
Transfer to investment properties under redevelopment	**(33,296)**	–
Revaluation gain recognised in profit or loss – net	**1,878,687**	907,872
Currency translation differences	**(616,124)**	(80,588)
At 31 March	**37,296,137**	30,386,799
Investment properties under redevelopment		
At 1 April	**299,635**	996,477
Additions	**169,370**	175,982
Transfer to completed investment properties	**(381,821)**	(908,861)
Transfer from completed investment properties	**33,296**	–
Revaluation gain recognised in profit or loss – net	**5,206**	36,037
Currency translation differences	**507**	–
At 31 March	**126,193**	299,635
Total investment properties	**37,422,330**	30,686,434

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

	Group 2018 $'000	Group 2017 $'000
Leasing income (Note 4)	**1,897,783**	1,785,117
Direct operating expenses arising from investment properties that generated leasing income	**(486,728)**	(449,960)

(b) Certain investment properties of the Group, amounting to $922.4 million (2017: $679.0 million) are mortgaged to secure bank loans (Note 22).

(c) The fair value hierarchy, valuation process, techniques and inputs used to determine the fair values of investment properties and properties under development (Note 17) are disclosed in Note 29.

(d) As at 31 March 2018, the fair values of the investment properties and properties under development (Note 17) have been determined primarily by independent professional valuers. These valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. It is the intention of the Group to hold the investment properties and properties under development (Note 17) on a long term basis.

17. PROPERTIES UNDER DEVELOPMENT

	Group 2018 $'000	Group 2017 $'000
At 1 April	**1,662,550**	1,647,231
Additions	**613,556**	737,647
Acquisition of a subsidiary with property (Note 37(b))	**4,975**	–
Transfer to investment properties (Note 16)	**(1,824,640)**	(716,869)
Transfer to properties held for sale	**(37,256)**	(24,293)
De-consolidation of a subsidiary	**–**	(41,968)
Revaluation gain recognised in profit or loss – net	**37,729**	52,909
Currency translation differences	**(47,111)**	7,893
At 31 March	**409,803**	1,662,550

During the financial year, finance costs capitalised as part of cost of properties under development amounted to $23.3 million (2017: $20.8 million).

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building $'000	Other assets $'000	Total $'000
Group			
Cost or valuation			
At 1 April 2016	–	37,499	37,499
Additions	–	6,761	6,761
Acquisition of subsidiaries (Note 37)	130,179	22,110	152,289
Write-offs/Disposals	–	(708)	(708)
De-consolidation of a subsidiary	–	(604)	(604)
Disposal of subsidiaries (Note 37(c))	–	(350)	(350)
Currency translation differences	1,404	434	1,838
Revaluation gain	14,439	–	14,439
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**142,321**	**65,142**	**207,463**
Additions	25	19,291	19,316
Acquisition of subsidiaries (Note 37(a)(i))	–	86	86
Write-offs/Disposals	–	(2,336)	(2,336)
Currency translation differences	(10,435)	(7,107)	(17,542)
Revaluation gain	4,396	–	4,396
Revaluation adjustment	(4,328)	–	(4,328)
Effect of finalisation of Purchase Price Allocation (Note 37(a)(iii))	–	(2,798)	(2,798)
At 31 March 2018	**131,979**	**72,278**	**204,257**

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and building $'000	Other assets $'000	Total $'000
Group (continued)			
Comprising:			
31 March 2017			
At cost	–	65,142	65,142
At valuation	142,321	–	142,321
	142,321	65,142	207,463
31 March 2018			
At cost	**–**	**72,278**	**72,278**
At valuation	**131,979**	**–**	**131,979**
	131,979	**72,278**	**204,257**
Accumulated depreciation			
At 1 April 2016	–	26,247	26,247
Depreciation	3,666	6,450	10,116
Write-offs/Disposals	–	(297)	(297)
De-consolidation of a subsidiary	–	(231)	(231)
Disposal of subsidiaries (Note 37(c))	–	(284)	(284)
Currency translation differences	35	10	45
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**–**	**31,895**	**31,895**
Depreciation	4,738	13,355	18,093
Write-offs/Disposals	–	(2,156)	(2,156)
Currency translation differences	(410)	(4,133)	(4,543)
Revaluation adjustments	(4,328)	–	(4,328)
At 31 March 2018	**–**	**38,961**	**38,961**
Net book value			
At 31 March 2017	142,321	33,247	175,568
At 31 March 2018	**131,979**	**33,317**	**165,296**

The leasehold land and building of the Group with a carrying value of $132.0 million (2017: $142.3 million) is carried at the revalued amount in accordance with the Group's accounting policy as described in Note 2.4. If the leasehold land and building was included in the financial statements at cost less accumulated depreciation and impairment losses, the net book value would have been $114.6 million (2017: $127.9 million).

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Other assets $'000	Total $'000
Company		
Cost		
At 1 April 2016	21,568	21,568
Additions	3,000	3,000
Write-offs/Disposals	(223)	(223)
At 31 March 2017	24,345	24,345
Additions	5,012	5,012
Write-offs/Disposals	(1,289)	(1,289)
At 31 March 2018	**28,068**	**28,068**
Accumulated depreciation		
At 1 April 2016	13,851	13,851
Depreciation	3,148	3,148
Write-offs/Disposals	(110)	(110)
At 31 March 2017	16,889	16,889
Depreciation	3,896	3,896
Write-offs/Disposals	(1,196)	(1,196)
At 31 March 2018	**19,589**	**19,589**
Net book value		
At 31 March 2017	7,456	7,456
At 31 March 2018	**8,479**	**8,479**

19. INTANGIBLE ASSETS

	Definite Useful Life			Indefinite Useful Life		
	Software license $'000	Customer related intangibles $'000	Concession agreement $'000	Trade names $'000	Goodwill arising on consolidation $'000	Total $'000
Group						
Cost						
At 1 April 2016	14,119	–	–	–	8,327	22,446
Additions	317	–	–	–	–	317
Acquisition of subsidiaries (Note 37(a)(iii))	–	18,715	–	73,753	34,341	126,809
Currency translation differences	–	556	–	1,438	–	1,994
At 31 March 2017	14,436	19,271	–	75,191	42,668	151,566
Additions	80	–	–	–	–	80
Acquisition of subsidiaries (Note 37(a)(i))	144	–	76,738	–	–	76,882
Effect of finalisation of Purchase Price Allocation (Note 37(a)(iii))	–	–	–	–	14,133	14,133
Currency translation differences	(2)	(1,423)	–	–	(2,737)	(4,162)
At 31 March 2018	**14,658**	**17,848**	**76,738**	**75,191**	**54,064**	**238,499**
Accumulated amortisation and impairment losses						
At 1 April 2016	5,930	–	–	–	–	5,930
Amortisation to profit or loss	1,591	–	–	–	–	1,591
At 31 March 2017	7,521	–	–	–	–	7,521
Amortisation to profit or loss	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
At 31 March 2018	**9,208**	**1,586**	**–**	**18,237**	**–**	**29,031**
Net book value						
At 31 March 2017	6,915	19,271	–	75,191	42,668	144,045
At 31 March 2018	**5,450**	**16,262**	**76,738**	**56,954**	**54,064**	**209,468**

19. INTANGIBLE ASSETS (CONTINUED)

Definite useful life	Software license $'000	Total $'000
Company		
Cost		
At 1 April 2016	12,545	12,545
Additions	233	233
At 31 March 2017	12,778	12,778
Additions	80	80
At 31 March 2018	**12,858**	**12,858**
Accumulated amortisation		
At 1 April 2016	5,346	5,346
Amortisation to profit or loss	1,391	1,391
At 31 March 2017	6,737	6,737
Amortisation to profit or loss	1,498	1,498
At 31 March 2018	**8,235**	**8,235**
Net book value		
At 31 March 2017	6,041	6,041
At 31 March 2018	**4,623**	**4,623**

(a) During the financial year, the Group recorded a 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 reporting date.

(b) 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 "Australasia, North Asia and Oakwood" operating segment (Note 34).

The recoverable amount of the CGU at the reporting date was determined based on value-in-use ("VIU") calculations, using financial projections covering a 5-year period approved by management. Cash flows beyond the 5-year period were extrapolated using the estimated growth rate of 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 2019 to 2023 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%.

The CGU's recoverable amount exceeded its carrying amount and the allocated trade names and goodwill were not impaired.

A reasonable change in the key assumptions including terminal growth rate and discount rate will not result in a material impairment.

20. TRADE AND OTHER PAYABLES

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Trade payables:				
– Related parties	**447**	1,824	**–**	–
– Non-related parties	**45,065**	32,238	**912**	63
	45,512	34,062	**912**	63
Non-trade payables:				
– Subsidiaries	**–**	–	**374,735**	109,924
– Associated company	**–**	54,437	**–**	–
– Non-related parties	**131,241**	98,294	**–**	–
	131,241	152,731	**374,735**	109,924
Provision for Corporate and Staff Social Responsibilities ("CSSR")	**9,805**	7,413	**9,805**	7,413
Financial guarantees	**–**	–	**1,285**	4,330
Accrued capital expenditure	**126,005**	155,396	**–**	–
Accrued operating expenses	**399,819**	385,916	**130,521**	136,514
Accrued share-based compensation expenses	**55,089**	26,835	**55,089**	27,025
Accrued retention sum	**48,287**	61,196	**–**	–
Interest payable	**64,603**	49,619	**–**	–
Value-added tax – net	**–**	1,586	**–**	–
Leasing received in advance	**96,704**	77,073	**–**	–
Tenancy deposits	**401,374**	378,553	**–**	–
Property tax payable	**14,379**	10,379	**–**	–
Other deposits	**16,173**	12,572	**48**	24
Other payables	**2,165**	8,918	**–**	–
Deferred revenue	**2,500**	2,500	**–**	–
	1,236,903	1,177,956	**196,748**	175,306
Total	**1,413,656**	1,364,749	**572,395**	285,293
Less: Non-current portion	**(361,279)**	(320,254)	**(106,783)**	(89,585)
Current portion	**1,052,377**	1,044,495	**465,612**	195,708

(a) The non-trade payables due to subsidiaries and its 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 & 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 $4.0 million (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 that will vest over certain qualifying periods based on duration of employees' services rendered after achieving certain performance targets. The accruals amounted to $218.5 million (2017: $190.0 million) as at 31 March 2018, out of which $148.5 million (2017: $122.0 million) is classified as non-current.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Group Fair value Assets $'000	Group Fair value Liabilities $'000
2018				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2018 to January 2023	7,001,787	30,483	(9,165)
– Cross currency interest rate swaps	January 2019 to March 2023	756,067	64,258	(2,676)
– Currency forwards	May 2018	2,618	14	–
			94,755	(11,841)
Hedge accounting – Net investment hedges:				
– Currency forwards	May 2018 to October 2018	1,101,432	10,706	(1,103)
			10,706	(1,103)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	–	(65)
			–	(65)
Non-hedge accounting:				
– Interest rate swaps	April 2018 to December 2025	1,256,194	1,688	(8,215)
– Currency forwards	April 2018 to November 2025	4,278,463	55,539	(24,973)
– Cross currency interest rate swaps	April 2018 to February 2025	563,177	5,573	(25,084)
			62,800	(58,272)
Represented by:				
Current position			95,543	(26,882)
Non-current position			72,718	(44,399)
			168,261	**(71,281)**
2017				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2017 to August 2022	5,300,765	12,044	(26,768)
– Cross currency interest rate swaps	January 2019 to March 2023	764,305	49,213	(13,248)
			61,257	(40,016)
Hedge accounting – Net investment hedges:				
– Currency forwards	April 2017 to October 2018	965,852	9,321	(12,341)
			9,321	(12,341)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	–	(64)
			–	(64)
Non-hedge accounting:				
– Interest rate swaps	April 2017 to April 2023	1,348,490	1,421	(7,883)
– Currency forwards	April 2017 to May 2023	3,489,669	24,936	(33,678)
– Cross currency interest rate swaps	November 2017 to March 2023	552,243	13,624	(52,996)
			39,981	(94,557)
Represented by:				
Current position			22,287	(41,111)
Non-current position			88,272	(105,867)
			110,559	**(146,978)**

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

Interest rate swaps

Interest rate swaps are transacted to hedge floating interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in the other comprehensive income are transferred to profit or loss as part of interest expense over the period of the borrowings.

Cross currency interest rate swaps

Cross currency interest rate swaps are transacted to hedge foreign currency interest payments on borrowings and foreign currency principal payments at maturity of the borrowings. Fair value changes on the cross currency interest rate swaps recognised in the hedging reserve are transferred to profit or loss as part of interest expense and exchange differences over the period of the borrowings.

Currency forwards

Currency forwards are transacted to hedge dividend income receivable in foreign currency back into Singapore Dollars. The fair value changes on the currency forwards are recognised in the hedging reserve and transferred to profit or loss as part of currency exchange gain/(loss) upon receipt of the dividend income.

22. BORROWINGS

	Group 2018 $'000	Group 2017 $'000
Current		
– Bank loan (secured)	**4,207**	–
– Bank loans (unsecured)	**1,583,311**	1,035,407
– Medium term notes (unsecured)	**574,829**	89,967
	2,162,347	1,125,374
Non-current		
– Bank loans (secured)	**435,446**	154,000
– Bank loans (unsecured)	**11,333,555**	9,055,203
– Medium term notes (unsecured)	**2,517,892**	2,610,565
– Loans from non-controlling interests of subsidiaries (unsecured)	**174,249**	150,325
	14,461,142	11,970,093
	16,623,489	13,095,467

(a) A current (secured) bank loan of $4.2 million is secured by mortgage over an investment property (Note 16) and is repayable in November 2018 (2017: Nil). The effective interest rate at the reporting date is 0.43% (2017: Nil) per annum and the interest rate is re-priced every three months (2017: Nil).

(b) The current (unsecured) bank loans of $1.6 billion (2017: $1.0 billion) are repayable between April 2018 and March 2019 (2017: April 2017 and March 2018). The effective interest rates at the reporting date ranged from 1.11% to 5.15% (2017: 0.45% to 8.10%) per annum and the interest rates are re-priced every one to three months (2017: one to six months).

(c) The current medium term notes issued by the respective subsidiaries pursuant to their Medium Term Note Programme are repayable between October 2018 and March 2019 (2017: March 2018). The effective interest rates at the reporting date ranged from 2.92% to 3.88% (2017: 4.45%) per annum and are not subject to interest-rate re-pricing.

22. BORROWINGS (CONTINUED)

(d) The non-current (secured) bank loans of $435.4 million (2017: $154.0 million) are secured by mortgages over certain investment properties (Note 16) and are repayable in 2019 and 2023 (2017: 2019). The effective interest rates at the reporting date ranged from 0.35% to 4.83% (2017: 1.47% to 2.90%) per annum and the interest rates are re-priced every three to six months (2017: one to three months).

(e) The non-current (unsecured) bank loans of $11.3 billion (2017: $9.1 billion) are repayable between 2019 and 2026 (2017: 2018 and 2024).The effective interest rates at the reporting date ranged from 0.427% to 5.68% (2017: 0.29% to 7.25%) per annum and the interest rates are re-priced every one to six months (2017: one to six months).

(f) The non-current medium term notes issued by the respective subsidiaries pursuant to their Medium Term Note Programme are repayable between 2019 and 2027 (2017: 2018 and 2026).The effective interest rates at the reporting date ranged from 2.71% to 4.99% (2017: 2.27% to 4.99%) per annum and the interest rates are re-priced every three to six months (2017: three to six months).

(g) A non-current loan from a non-controlling interest of a subsidiary amounting to $30.2 million (2017: $29.6 million) is unsecured, interest-free and has no fixed terms of repayment, although repayment is not expected within the next 12 months.

The remaining non-current loans from the non-controlling interest of certain subsidiaries are unsecured and repayable between 2019 and 2020 (2017: 2018 and 2019).The effective interest rates at the reporting date ranged from 3.23% to 6.68% per annum (2017: 5.55% to 8.96%) and the interest rates are re-priced every six months (2017: every six months).

23. DEFERRED INCOME TAXES

Movement in the deferred income tax account is as follows:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
At 1 April	**280,614**	268,968	**(22,175)**	1,205
Tax charged/(credited) to:				
– Profit or loss	**134,906**	50,891	**13,327**	(23,380)
– Other comprehensive income	**6,980**	2,530	**–**	–
– Equity	**(10,601)**	(6,185)	**–**	–
– Reclassification	**(11,654)**	(20,831)	**(11,654)**	–
Disposal of subsidiaries (Note 37(c))	**–**	(16,979)	**–**	–
Acquisition of subsidiaries (Note 37(a))	**8,424**	878	**–**	–
De-consolidation of a subsidiary	**–**	(6,599)	**–**	–
Utilisation of tax benefits	**8,799**	7,581	**–**	–
Currency translation differences	**(9,884)**	360	**–**	–
At 31 March	**407,584**	280,614	**(20,502)**	(22,175)

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 $55.8 million (2017: $60.6 million) at reporting date which can be carried forward and used to offset against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date except for an amount of $41.2 million (2017: $55.5 million) which will expire between 2018 to 2028.

Deferred income tax liabilities have not been recognised for the withholding and other taxes that will be payable on the unremitted earnings of $72.3 million (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.

23. DEFERRED INCOME TAXES (CONTINUED)

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Revaluation gains $'000	Accrued revenue $'000	Others $'000	Total $'000
At 1 April 2017	158,267	172,163	764	3,701	334,895
Charged to:					
– Profit or loss	47,237	76,861	302	1,151	125,551
– Other comprehensive income	–	385	–	–	385
Acquisition of subsidiaries	8,424	–	–	–	8,424
Currency translation differences	(6,903)	(2,945)	(91)	(4)	(9,943)
At 31 March 2018	**207,025**	**246,464**	**975**	**4,848**	**459,312**
At 1 April 2016	129,516	148,928	443	–	278,887
Charged to:					
– Profit or loss	26,945	47,058	334	1,790	76,127
– Other comprehensive loss	–	1,573	–	–	1,573
Disposal of subsidiaries	–	(17,628)	–	–	(17,628)
Acquisition of subsidiaries	–	–	–	1,909	1,909
De-consolidation of a subsidiary	–	(6,599)	–	–	(6,599)
Currency translation differences	1,806	(1,169)	(13)	2	626
At 31 March 2017	158,267	172,163	764	3,701	334,895

Deferred income tax assets

	Fair value changes – net $'000	Perpetual securities $'000	Provisions $'000	Tax losses $'000	Total $'000
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 loss	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
At 31 March 2018	**5,826**	**(2,745)**	**(42,057)**	**(12,752)**	**(51,728)**
At 1 April 2016	(2,057)	(1,230)	(4,182)	(2,450)	(9,919)
Charged/(Credited) to:					
– Profit or loss	–	–	(11,985)	(13,251)	(25,236)
– Other comprehensive loss	957	–	–	–	957
– Equity	–	(6,185)	–	–	(6,185)
Reclassification	–	–	(20,831)	–	(20,831)
Disposal of subsidiaries	–	–	649	–	649
Acquisition of a subsidiary	–	–	(1,031)	–	(1,031)
Utilisation of tax benefits	–	6,472	–	1,109	7,581
Currency translation differences	–	–	16	(282)	(266)
At 31 March 2017	(1,100)	(943)	(37,364)	(14,874)	(54,281)

23. DEFERRED INCOME TAXES (CONTINUED)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Notional interest income $'000	Total $'000
At 1 April 2017	1,574	69	1,643
Charged to profit or loss	533	86	619
At 31 March 2018	**2,107**	**155**	**2,262**
At 1 April 2016	1,907	39	1,946
(Credited)/Charged to profit or loss	(333)	30	(303)
At 31 March 2017	1,574	69	1,643

Deferred income tax assets

	Provisions $'000
At 1 April 2017	(23,818)
Charged to profit or loss	12,708
Reclassification	(11,654)
At 31 March 2018	**(22,764)**
At 1 April 2016	(741)
Credited to profit or loss	(23,077)
At 31 March 2017	(23,818)

24. SHARE CAPITAL

Issued and fully paid Ordinary Shares and Series A redeemable preference shares ("RPS")

	Issued share capital	
	No. of shares '000	Amount $'000
Balance at 1 April 2017 and 31 March 2018		
– 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**

24. SHARE CAPITAL (CONTINUED)

Issued and fully paid Series A redeemable preference shares ("RPS")

The Series A redeemable preference shares ("RPS") confer upon the holders the following rights:

(a) Dividends

The right to receive out of the distributable profits of the Company a non-cumulative preferential dividend at a rate of 1% per annum on the redemption amount (being the value of the Series A RPS). The preferential dividend shall:

(i) Be declared by the Directors at any time and from time to time and payable at such time as the Directors shall determine; and

(ii) Be paid in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company.

(b) Voting

The right to attend and vote at general meetings of the Company only upon the happening of any of the following events:

(i) During such year as the preferential dividend or any part thereof remains in arrears and unpaid for more than 12 months;

(ii) Upon any resolution which varies or abrogates the rights attached to the preference shares; and

(iii) Upon any resolution for the winding up of the Company.

In addition, written approval of 75% of the RPS holders has to be obtained prior to:

(i) Variation or abrogation of rights to RPS holders;

(ii) Altering RPS through e.g. repurchase, cancellation, reduction, subdivision, reclassification or consolidation;

(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.

24. SHARE CAPITAL (CONTINUED)

Share-Based Compensation Plans of the Company

The Company currently operates the following share-based compensation plans: Mapletree PSU Plan, Mapletree RSU Plan and Mapletree NED RSU Plan (collectively referred to as the "Share-based Compensation Plans"). The Executive Resource and Compensation Committee ("ERCC") of the Company has been designated as the Committee responsible for the administration of the Share-based Compensation Plans.

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

The Mapletree PSU Plan and the Mapletree RSU Plan (collectively referred to as the "Plans") for employees (including executive directors) 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 4 November 2009.

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

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

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

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

The number of PSU outstanding under the Mapletree PSU Plan at the end of the financial year is summarised below:

	2018 '000	2017 '000
At 1 April	**14,973**	14,001
Initial award granted	**4,025**	4,174
Adjustment for performance targets	**(327)**	(841)
Forfeited/Cancelled	**(458)**	(866)
Released	**(2,010)**	(1,495)
At 31 March	**16,203**	14,973

24. SHARE CAPITAL (CONTINUED)

Share-Based Compensation Plans of the Company (continued)

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

The 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 2,010,250 (2017: 1,494,771) were cash-settled.

The number of PSU awarded and outstanding of 16,202,518 (2017: 14,972,545) are to be cash-settled. The final number of units to be released in respect of 16,202,518 (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:

	2018 '000	2017 '000
At 1 April	**5,071**	5,555
Initial award granted	**2,211**	2,364
Adjustment for performance targets	**588**	470
Forfeited/Cancelled	**(336)**	(391)
Released	**(2,677)**	(2,927)
At 31 March	**4,857**	5,071

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 2,677,223 (2017: 2,927,344) were cash-settled.

The number of RSU awarded and outstanding of 4,857,388 (2017: 5,070,959) are to be cash-settled. The final number of units to be released in respect of 2,071,521 (2017: 2,340,790) of outstanding RSU has not been determined.

PSU and RSU units that are expected to be cash-settled are measured at their current fair values at financial year end. The fair value is measured based on share price $4.59 (2017: $3.72) at financial year end.

24. SHARE CAPITAL (CONTINUED)

Share-Based Compensation Plans of the Company (continued)

(b) Mapletree NED Restricted Share Units Plan

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

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

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

The number of NED RSU outstanding under the Mapletree NED RSU Plan at the end of the financial year is summarised below:

	2018 '000	2017 '000
At 1 April	**185**	164
Granted	**52**	47
Exercised	**(23)**	(26)
At 31 March	**214**	185

The NED RSU exercised during the year of 23,076 (2017: 26,359) were cash-settled.

The number of units awarded, vested and outstanding of 214,378 (2017: 185,146) are to be cash-settled. The fair value of the cash-settled award of NED RSU at the reporting date is determined based on the net asset value (excluding perpetual securities) per share of the Group at year end, up to a maximum of 200% of the initial net asset value per share of the Group at the respective grant dates.

(c) Share-Based Compensation Plans of subsidiaries

During the financial year ended 31 March 2018, the respective Nomination and Remuneration Committee ("NRC") of the Group's wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd (each the "REIT management company") approved and adopted separate Performance Share Units Plan ("REIT PSU Plan") and Restricted Share Units Plan ("REIT RSU Plan"). This is in compliance with the MAS guideline on REIT compensation governance where the plans are linked to performance of the respective REIT. The REIT PSU Plan and REIT RSU Plan are available to eligible employees of the subsidiaries, and the plans can only be cash-settled.

The total REIT PSU Plan and REIT RSU Plan expense recognised to the profit or loss amounted to $3,094,576 (2017: $468,000).

25. PERPETUAL SECURITIES

The Group has issued the following perpetual securities:

(a) Mapletree Treasury Services Limited

Mapletree Treasury Services Limited ("MTSL"), a wholly-owned subsidiary, issued perpetual securities with an aggregate principal amount of $700 million in May 2017. Total incremental cost incurred amounting to $5.6 million (2017: $14.0 million) was recognised in equity as a deduction from proceeds.

Such perpetual securities are guaranteed by the Company and bear distributions at a rate of 3.95% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, MTSL may elect to defer making distribution on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

MTSL had fully redeemed the 5.125% perpetual securities with an aggregate principal amount of $600 million on 25 July 2017 which was previously issued on 25 July 2012.

(b) Mapletree Logistics Trust

Mapletree Logistics Trust ("MLT"), a non-wholly owned subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $180 million in September 2017. Total incremental cost incurred amounting to $1.8 million (2017: $8.6 million) was recognised in equity as a deduction from proceeds. These perpetual securities have no fixed redemption date and redemption is at the discretion of MLT.

Such perpetual securities bear distributions at a rate of 3.65% per annum, payable semi-annually and will be non-cumulative.

MLT had fully redeemed the 5.375% perpetual securities with an aggregate principal amount of $350 million on 19 September 2017 which was previously issued on 19 March 2012.

In terms of distribution payments or in the event of winding-up of MLT, these perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the unitholders of MLT, but junior to the claims of all other present and future creditors of MLT. MLT shall not declare distribution or pay any distributions to the unitholders, or make redemption, unless MLT declare or pay any distributions to the holders of the perpetual securities.

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 FRS 32 Financial Instruments: Disclosure and Presentation. Both instruments are presented within equity, and distributions are treated as dividends.

26. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Unsecured bankers' guarantees given in respect of operations	**8,599**	10,642	**6,838**	6,543

27. COMMITMENTS

(a) Capital commitments

	Group 2018 $'000	2017 $'000
Development expenditure contracted for	**432,289**	677,715
Commitment in respect of equity participation in associated companies	**98,058**	689,801
Commitment in respect of equity participation in available-for-sale financial assets	**79**	85

(b) Operating lease commitments – where the Group is a lessor

The Group leases out property spaces under non-cancellable operating lease agreements. The leases have escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group 2018 $'000	2017 $'000
Not later than one year	**2,162,993**	1,925,307
Between one and five years	**4,343,724**	3,617,211
Later than five years	**1,933,070**	1,690,742
	8,439,787	7,233,260

Some of the operating leases are subject to revision based on market rates at periodic intervals. For the purposes of the above disclosure, the prevailing leases are used.

(c) Operating lease commitments – where the Group is a lessee

The Group leases land and property spaces under non-cancellable operating lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group 2018 $'000	2017 $'000
Not later than one year	**160,229**	111,521
Between one and five years	**171,842**	70,894
Later than five years	**57,552**	49,599
	389,623	232,014

Not included above are certain operating leases in Singapore, PRC and Malaysia with annual land rent that the Group is committed to pay to the respective country's land authorities. The operating leases are non-cancellable with remaining lease term of up to 88 years as at 31 March 2018 and are subjected to revision of land rent at periodic intervals. Based on the prevailing land rent rates, these operating leases paid/payable for the financial year approximates $14.8 million (2017: $15.1 million).

28. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks. The Group uses different methods to measure and manage various types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange, price, interest rate, credit and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides general principles for overall risk management, covering areas such as foreign exchange risk, price, interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Audit and Risk Committee, assisted by the risk management department and/or internal auditors, also evaluates the effectiveness of the system associated with the financial risk management programmes.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to exchange rate risk on its foreign currency denominated assets and liabilities. This currency exposure is, where practicable and appropriate, managed through borrowing in the same currencies in which the assets and/or investments are denominated as well as currency forwards, currency call/put options, and cross currency swap contracts.

In relation to its investments in foreign subsidiaries, associated companies and joint ventures, whose net assets are exposed to currency translation risks and which are held for long term investment purpose, the differences arising from such translation are recognised in other comprehensive income as foreign currency translation reserves. These translation differences are reviewed and monitored on a regular basis and managed primarily through currency forwards, cross currency interest rate swaps or borrowings denominated in the relevant currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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
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 for 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**

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
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 for net investment hedge	292,158	179,262	28,070	–	–	–	–	–	–	–
Currency exposures on financial (liabilities)/assets	**(59,186)**	**(459,553)**	**13,813**	**15,951**	**(7,940)**	**15,114**	**(31,457)**	**19,176**	**7,995**	**218**

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 March 2018 and 2017, the Group's USD exposure arises mainly from group entities with VND functional currency.

The Company's financial assets and liabilities are mainly denominated in SGD.

If the Group's USD exposure change against VND by 5.0% (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:

	Increase/(decrease)	
	2018	2017
	Profit after tax	Profit after tax
	$'000	$'000
Group		
USD against VND		
– strengthened	**(17,223)**	(15,204)
– weakened	**17,223**	15,204

(ii) Price risk

The Group is not exposed to significant equity price risk as it does not hold any significant equity securities held for trading or available-for-sale.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk on its borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved either through fixed rate borrowings or through the use of floating-to-fixed interest rate swaps and/or interest rate caps.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in JPY, USD, RMB, GBP, SGD, MYR and HKD (2017: JPY, USD, RMB, GBP, SGD, MYR and HKD). If the interest rates increase or decrease by 0.50% (2017: 0.50%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by $25 million (2017: $14 million) and higher by $25 million (2017: $14 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by $37 million (2017: $48 million) and lower by $35 million (2017: $49 million) mainly as a result of higher fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with acceptable credit quality counterparties.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are made to customers with an appropriate credit history. Security in the form of bankers guarantees, insurance bonds (issued by bankers or insurers of acceptable credit quality) or cash security deposits are obtained prior to the commencement of the lease.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2018	2017
	$'000	$'000
Corporate guarantees provided to banks on subsidiaries' and a joint venture's loans	**7,581,134**	4,628,000

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit-ratings assigned by international credit-rating agencies. Trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party that are neither past due nor impaired are substantially counterparties with a good collection track record with the Group.

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

There are no other classes of financial assets that are past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2018	2017
	$'000	$'000
Past due less than 3 months	**49,795**	44,358
Past due over 3 months	**26,238**	51,982
	76,033	96,340

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2018	2017
	$'000	$'000
Gross amount	**1,311**	1,780
Less: Allowance for impairment	**(856)**	(1,060)
	455	720
At 1 April	**1,060**	264
Acquisition	**–**	710
Allowance made	**395**	369
Allowance utilised	**(135)**	(17)
Allowance reversed	**(327)**	(250)
Translation	**(137)**	(16)
At 31 March	**856**	1,060

The Group and the Company believes that no additional allowance is necessary in respect of the remaining trade and other receivables as these receivables arise mainly from tenants with good collection records as well as sufficient security in the form of bankers guarantees, insurance bonds, or cash security deposits as collaterals.

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and committed bank financing to fund its working capital, its financial obligations and expected committed capital expenditure requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is insignificant.

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Group			
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**
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			
2018			
Trade and other payables	**465,612**	**93,495**	**13,288**
2017			
Trade and other payables	195,708	75,340	14,245

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			
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**
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

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is required by the banks to maintain a consolidated tangible net worth of not less than $1.0 billion (2017: $1.0 billion) and Group equity of not less than $3.0 billion (2017: $3.0 billion).

There were no changes in the Group's approach to capital management during the financial year.

(e) Categories of financial assets and financial liabilities

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Financial assets				
At fair value through profit or loss	**168,261**	110,559	**–**	–
Available-for-sale	**69,564**	142,965	**–**	–
Loans and receivables (including cash and cash equivalents)	**2,261,220**	1,873,470	**7,059,864**	5,593,751
Financial liabilities				
At fair value through profit or loss	**71,281**	146,978	**–**	–
At amortised cost	**17,937,941**	14,379,056	**572,395**	285,104

29. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair value hierarchy (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
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**
2017				
Financial assets				
Derivative financial instruments	–	110,559	–	110,559
Available-for-sale financial assets				
– Quoted	73,401	–	–	73,401
– Unquoted	–	–	69,564	69,564
	73,401	110,559	69,564	253,524
Financial liabilities				
Derivative financial instruments	–	(146,978)	–	(146,978)
Non-financial assets				
Completed investment properties	–	–	30,386,799	30,386,799
Investment properties under redevelopment	–	–	299,635	299,635
Properties under development	–	–	1,662,550	1,662,550
Property, plant and equipment	–	–	142,321	142,321
	–	–	32,491,305	32,491,305

29. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Valuation techniques

(i) Financial assets and liabilities at fair value

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

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of interest rate swaps and interest rate caps are calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the reporting date. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair value of unquoted available-for-sale financial assets are classified as Level 3 and are determined using the net asset values of the investee companies.

(ii) Non-financial assets at fair value

Level 3 fair values of the Group's investment properties and leasehold land and building classified under property, plant and equipment have been generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising net leasing income after property tax at a rate which reflects the present and potential income growth and over the unexpired lease term.

- Discounted cash flow – Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct comparison – Properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with adjustments made for differences in location, tenure, size, shape, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions.

- Residual value – Investment properties under redevelopment or development are valued, as a starting point using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed at reporting date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under redevelopment and development.

  Fair values of investment properties are determined by external independent valuers. The valuation of significant properties are presented to and discussed with the Audit and Risk Committee as well as the Board of Directors.

(iii) Financial assets and liabilities not carried at fair values

The carrying value of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes of $2.8 billion (2017: $2.5 billion) whose fair value amounted to $2.8 billion (2017: $2.5 billion), determined from adjusted quoted prices.

29. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Level 3 assets measured at fair value

The movements of non-financial assets classified under Level 3, for completed investment properties and investment properties under redevelopment are presented in Note 16, for properties under development in Note 17 and for leasehold land and building under property, plant and equipment in Note 18.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the non-financial assets classified under Level 3 of the fair value hierarchy:

	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties			
	Income capitalisation	Capitalisation rate • Singapore: 3.7% to 9.0% *(2017: 3.9% to 9.5%)* • Others: 3.6% to 11.3% *(2017: 3.9% to 12.5%)*	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Singapore: 7.0% to 12.0% *(2017: 7.0% to 12.0%)* • Others: 3.4% to 14.0% *(2017: 4.5% to 14.0%)*	The higher the discount rate, the lower the fair value.
		Terminal Yield • Singapore: 4.5% to 6.3% *(2017: 4.6% to 6.5%)* • Others: 2.8% to 16.5% *(2017: 4.4% to 17.0%)*	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Singapore: $590 to $1,725 psm *(2017: $590 to $1,725 psm)* • Others: $329 to $12,572 psm *(2017: $347 to $11,893 psm)*	The higher the adjusted price rate, the higher the fair value.
Investment properties under redevelopment			
	Residual value	Gross development valuation • Singapore: $3,379 to $16,388 psm *(2017: $2,003 to $15,647 psm)*	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: $3,155 to $5,649 psm *(2017: $1,304 to $6,081 psm)*	The higher the development cost, the lower the fair value.

29. FAIR VALUE MEASUREMENTS (CONTINUED)

(c) Level 3 assets measured at fair value (continued)

Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Properties under development		
Discounted cash flow	Discount rate • Others: 15.0% *(2017: 15.0%)*	The higher the discount rate, the lower the fair value.
	Terminal Yield • Others: 13.0% *(2017: 13.0%)*	The higher the terminal yield, the lower the fair value.
Direct comparison	Adjusted price • Others: $48 to $117 psm *(2017: $49 to $643 psm)*	The higher the adjusted price rate, the higher the fair value.
Residual value	Gross development valuation • Others: $518 to $736 psm *(2017: $549 to $22,776 psm)*	The higher the gross development valuation, the higher the fair value.
	Development cost • Others: $310 to $506 psm *(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: 9.0% *(2017: 10.0%)*	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow	Discount rate • Others: 11.0% *(2017: 13.0%)*	The higher the discount rate, the lower the fair value.
	Terminal Yield • Others: 10.0% *(2017: 10.5%)*	The higher the terminal yield, the lower the fair value.
Direct comparison	Adjusted Price • Others: $Nil *(2017: $436,800 per room)*	The higher the adjusted price rate, the higher the fair value.

30. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Fullerton Management Pte Ltd, incorporated in Singapore. The ultimate holding company is Temasek Holdings (Private) Limited, incorporated in Singapore.

31. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group		Company	
	2018 $'000	2017 $'000	**2018 $'000**	2017 $'000
Leasing and other services to related corporations	**51,432**	39,587	**–**	–
Fees from provision of management services to subsidiaries	**–**	–	**134,790**	119,035
Purchase of goods/services from related corporations	**13,367**	25,780	**–**	–
Fees from provision of fund management services to associated companies	**28,664**	40,536	**–**	–
Dividend income from an associated company	**24,109**	15,308	**–**	–
Dividend income received from subsidiaries	**–**	–	**711,546**	1,659,190
Interest income received from subsidiaries	**–**	–	**34,885**	16,243
Interest expense paid to related corporations	**52,309**	55,499	**–**	–
Trustee's fees paid/payable to the Trustee	**2,032**	1,918	**–**	–

(b) Key management personnel compensation

	Group	
	2018 $'000	2017 $'000
Salaries and other short-term employee benefits	**19,302**	22,093
Post-employment benefits – contribution to CPF	**232**	228
Share-based compensation expenses	**23,843**	11,513
	43,377	33,834

(c) PSU and RSU granted to key management

During the financial year, the Group granted 4,436,594 PSU and 2,301,691 RSU (2017: 4,324,704 PSU and 1,860,174 RSU) to the key management of the Group under the share-based plans as set out in Note 24. The PSU and RSU were given on the same terms and conditions as those offered to other employees of the Group. The outstanding number of PSU and RSU as at 31 March 2018 granted by the Group to the key management of the Group was 15,739,958 and 4,340,058 (2017: 13,180,790 and 3,209,305) respectively.

32. DIVIDENDS

	Group and Company	
	2018 $'000	2017 $'000
Final exempt (one-tier) redeemable preference share dividends paid in respect of the previous financial year of $1,000 (2017: $1,000) per redeemable preference share	**15,700**	15,700
Final exempt (one-tier) ordinary share dividend of paid in respect of the previous financial year of 12.7993 cents (2017: 9.7684 cents) per ordinary share	**195,100**	148,900
	210,800	164,600

32. DIVIDENDS (CONTINUED)

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 (2017: $1,000) per redeemable preference share amounting to $15.7 million (2017: $15.7 million); and
- Final exempt (one-tier) ordinary share dividend of 13.1338 cents (2017: 12.7993 cents) per ordinary share amounting to $200.2 million (2017: $195.1 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 2019.

33. OPERATIONAL PROFIT AFTER TAX AND MINORITY INTERESTS

Operational Profit After Tax and Minority Interests (Operational PATMI) denotes net income derived from the underlying operating activities of the Group including, inter-alia, real estate leasing and sales activities, capital management fee income businesses, 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 costs ("OIC"). Gains or losses on foreign exchange, fair value adjustments for financial derivatives and available-for-sale financial assets (per FRS 39 Financial Instruments: Recognition and Measurement), unrealised gains or losses, inter-alia, revaluations gains or losses (except for those arising from corporate restructuring), intangibles' impairment, negative goodwill and dilution gain or loss are not included.

	Group	
	2018	2017
	$'000	$'000
Profit Attributable to Equity Holder of the Company	**1,873,683**	1,349,590
Profit Attributable to Perpetual Securities Holders		
– Mapletree Treasury Services Limited	**62,357**	36,382
– Mapletree Logistics Trust	**22,594**	27,717
	1,958,634	1,413,689
After adjusting for:		
Revaluation gain on investment properties and properties under development (net of deferred tax)#	**(1,123,095)**	(667,559)
Share of associated companies and joint ventures:		
Net gain on revaluation of investment properties and properties under development	**(119,114)**	(34,419)
Net foreign exchange and financial derivatives (gain)/loss	**(36,897)**	3,050
Other non-operating items	**(1,829)**	–
	(157,840)	(31,369)
Net foreign exchange and financial derivatives loss#	**18,988**	19,342
Other non-operating items	**(243)**	–
Adjustments on:		
Share of associated company disposal gain at OIC*	**–**	5,425
Corporate restructuring surplus at OIC*	**141,914**	628,892
Divestment (loss)/gain at OIC*	**(73,944)**	8,095
Operational PATMI	**764,414**	1,376,515

\# Net of non-controlling interests.
* Represents cumulative revaluation gains realised.

34. SEGMENT REPORTING

The operating segments are determined based on the segment reports reviewed by the Executive Management Committee ("EMC") for strategic and operational decisions making purposes. The EMC comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Chief Financial Officer, Head, Group Corporate Services and Group General Counsel, Head, Group Development Management and the Heads of each business unit.

The EMC considers the business from both a geographic and business segment perspective. In the current financial year, the organisation of the Group's business units and segment reports reviewed by the EMC, were changed to reflect the Group's expanded geographical and business operations. The 2017 comparative segment information presented below has been restated to conform to the current year segment basis.

The following summary describes the operations from business segment perspective:

- **Singapore Commercial:**
  Developer/Owner/Manager of properties located in Singapore, which comprise mainly offices, retail properties, residential properties and certain industrial and business park properties which are not under Logistics and Industrial business units.
- **Australasia Logistics:**
  Developer/Owner/Manager of logistics properties in Asia and Australia.
- **Industrial:**
  Developer/Owner/Manager of industrial properties and data centres in the USA.
- **China and India:**
  Developer/Owner/Manager of properties in People's Republic of China ("PRC") and India, excluding logistic properties and properties held by MGCCT.
- **South East Asia:**
  Developer/Owner/Manager of properties, excluding logistics properties in Southeast Asia.
- **Australasia, North Asia and Oakwood:**
  Developer/Owner/Manager of properties in Australasia & North Asia excluding logistics properties but including properties held by MGCCT and corporate lodging properties and business.
- **Europe & USA:**
  Developer/Owner/Manager of properties in Europe & USA, excluding corporate lodging properties and data centres in the USA.
- **Others:**
  Corporate departments.

34. SEGMENT REPORTING (CONTINUED)

The segment information provided to the EMC for the reportable segments are as follows:

	Singapore Commercial $'000	Australasia Logistics $'000	Industrial $'000	China and India $'000	South East Asia $'000	Australasia, North Asia and Oakwood $'000	Europe and USA $'000	Others $'000	Total $'000
2018									
Revenue	642,127	465,144	389,514	48,936	136,870	1,264,917	259,305	(12,412)	3,194,401
Segmental Results									
Earnings/(loss) before revaluation gain/(loss), interest and tax	496,129	389,180	315,819	12,571	64,385	349,237	173,170	(136,068)	1,664,423
Revaluation gain on investment properties and properties under development	501,741	409,712	114,044	8,295	18,937	768,404	99,417	1,072	1,921,622
Share of profit in associated companies and joint ventures	–	4,100	–	100,083	14,866	111,724	34,398	–	265,171
	997,870	**802,992**	**429,863**	**120,949**	**98,188**	**1,229,365**	**306,985**	**(134,996)**	**3,851,216**
Finance cost – net									(362,175)
Tax expense									(299,712)
Profit for the year									**3,189,329**
Segment assets	**10,328,832**	**8,915,526**	**5,035,675**	**761,999**	**1,423,617**	**11,092,282**	**4,542,197**	**474,897**	**42,575,025**
Segment liabilities	**2,802,887**	**4,384,107**	**1,467,268**	**41,695**	**101,545**	**4,863,723**	**3,323,781**	**1,673,038**	**18,658,044**
Other segment items:									
Depreciation and amortisation	**(333)**	**(247)**	**(27)**	**(24)**	**(6,159)**	**(8,366)**	**(218)**	**(5,990)**	**(21,364)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
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	**15,950,783**	**1,814,522**	**4,195,179**	**8,138,770**	**1,683,930**	**2,293,950**	**3,931,514**	**1,474,709**	**446,491**	**39,929,848**
Total assets	**16,870,080**	**2,145,580**	**4,786,605**	**8,219,189**	**2,023,980**	**2,544,127**	**4,198,581**	**1,304,816**	**482,067**	**42,575,025**

34. SEGMENT REPORTING (CONTINUED)

	Singapore Commercial $'000	Australasia Logistics $'000	Industrial $'000	China and India $'000	South East Asia $'000	Australasia, North Asia and Oakwood $'000	Europe and USA $'000	Others $'000	Total $'000
2017									
Revenue	607,070	453,436	340,559	63,069	102,529	550,290	215,404	(3,522)	2,328,835
Segmental Results									
Earnings/(Loss) before revaluation gain/(loss), interest and tax	464,891	422,674	253,271	41,090	40,513	357,301	192,048	(172,541)	1,599,247
Revaluation gain on investment properties and properties under development	385,536	164,464	73,273	7,817	46,152	284,495	34,741	340	996,818
Share of (loss)/profit in associated companies and joint ventures	–	(8,065)	–	51,156	6,333	50,927	2,020	–	102,371
	850,427	579,073	326,544	100,063	92,998	692,723	228,809	(172,201)	2,698,436
Finance cost – net									(331,681)
Tax expense									(198,743)
Profit for the year									2,168,012
Segment assets	9,707,117	7,996,946	3,822,641	749,831	1,319,460	9,796,807	2,431,009	435,371	36,259,182
Segment liabilities	2,818,624	3,670,937	747,492	28,369	88,180	4,424,870	1,870,399	1,386,492	15,035,363
Other segment items:									
Depreciation and amortisation	(325)	(202)	(18)	(32)	(4,791)	(1,008)	(348)	(4,983)	(11,707)

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
2017										
Geography information										
Revenue	1,090,430	130,896	207,113	330,094	123,364	188,363	149,759	76,586	32,230	2,328,835
Non-current assets	15,217,018	1,753,026	3,606,870	7,526,523	1,466,712	1,953,732	1,172,002	1,145,583	401,053	34,242,519
Total assets	15,762,802	1,951,579	4,102,542	7,600,489	1,730,085	2,160,217	1,364,960	1,167,060	419,448	36,259,182

34. SEGMENT REPORTING (CONTINUED)

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 described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs. Finance income and finance expenses are not allocated to segments, as this type of activity is driven by Group Treasury which manages the treasury position of the Group.

Corporate housing business

During the last financial year, the Group acquired corporate housing and serviced-apartment solutions provider, Oakwood Worldwide (Note 37(a)(iii)), as part of its long-term strategy for its corporate housing business with focus on the United States of America, Europe and Asia Pacific. The financial performance of the corporate housing business, included within the "Australasia, North Asia and Oakwood" and "South East Asia" segment is summarised as below:

	Corporate Housing	
	2018	2017
	$'000	$'000
Revenue	**827,204**	127,297
Other (loss)/gains – net	**(2,884)**	7,471
Operating costs	**(817,705)**	(112,357)
	6,615	22,411
Finance cost – net	**(664)**	(41)
Share of profit of joint venture	**–**	687
Profit before income tax	**5,951**	23,057
Income tax (credit)/expense	**(7,388)**	3,040
(Loss)/profit for the financial year	**(1,437)**	26,097

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP

(a) Subsidiaries

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly held by the Company				
Bougainvillea Realty Pte Ltd	Property owner	Singapore	**100**	100
Heliconia Realty Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Capital Management Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Logistics Properties Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Treasury Services Limited	Finance and Treasury centre performing financial and treasury operations and activities for the holding and related companies within the Group	Singapore	**100**	100
Meranti Investments Pte Ltd	Investment holding	Singapore	**100**	100
Mulberry Pte Ltd	Investment holding	Singapore	**100**	100
Mangrove Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Dextra Pte Ltd	Investment holding	Singapore	**100**	100
Gemstone Asset Holdings Pte Ltd (f.k.a Alexander Assets 1 Pte Ltd)[2]	Investment holding	Singapore	**100**	–
Mapletree DC Ventures Pte Ltd[2]	Investment Holding	Singapore	**100**	–
CoQoons Coworking Pte Ltd (f.k.a Work@Montage Pte Ltd)[2]	Co-working centre	Singapore	**100**	–
Mapletree US Office Assets Pte Ltd[2]	Investment Holding	Singapore	**100**	–
Amberstone Asset Holdings Pte Ltd[2]	Investment Holding	Singapore	**100**	–
Mapletree US Logistic Assets Pte Ltd[2]	Investment Holding	Singapore	**100**	–
Sienna Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Developments Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Waterfront Holdings Pte Ltd (f.k.a Phoenix Chaoyang Pte Ltd)	Investment holding	Singapore	**100**	100
The HarbourFront Pte Ltd	Investment holding and property owner	Singapore	**100**	100
Shanghai Mapletree Management Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Management Consultancy Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Property Services Pte Ltd	Investment holding	Singapore	**100**	100
Kent Assets Pte Ltd	Investment holding	Singapore	**100**	100
Suffolk Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree PE Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Oakwood Holdings Pte Ltd (f.k.a Mapletree SR Holdings Pte Ltd)	Investment holding	Singapore	**100**	100
Moonstone Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Trustee Pte Ltd	Investment holding	Singapore	**100**	100

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly held by Mapletree Treasury Services Limited				
Mapletree Treasury Services (HKSAR) Limited	Provision of financial and treasury operations activities for the holding company and related companies within the Group	Hong Kong SAR	**100**	100
Directly held by Mapletree UK Management Limited				
Mapletree US Management LLC	Management services	United States of America	**100**	100
Directly held by Mapletree Capital Management Pte Ltd				
Mapletree Logistics Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Industrial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Greater China Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Real Estate Advisors Pte Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Asset Management Pty Ltd	Fund management and advisory services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte Ltd				
Beijing Mapletree Huaxin Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Guangzhou Mapletree Huaxin Enterprise Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Foshan Mapletree Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Vietnam Management Consultancy Co Ltd	Fund management and advisory services	Vietnam	**100**	100
Mapletree Hong Kong Management Limited	Fund management and advisory services	Hong Kong SAR	**100**	100
Mapletree Malaysia Management Sdn Bhd	Fund management and advisory services	Malaysia	**100**	100
Mapletree Investments Japan Kabushiki Kaisha[1]	Fund management and advisory services	Japan	**100**	100
Mapletree Korea Management Co Ltd[1]	Management services	South Korea	**100**	100
Mapletree UK Management Limited	Fund management and advisory services	United Kingdom	**100**	100

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly held by Mapletree Property Services Pte Ltd				
Mapletree Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Facilities Services Pte Ltd	Commercial and industrial real estate management	Singapore	**100**	100
Mapletree Commercial Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Greater China Property Management Limited	Management services	Hong Kong SAR	**100**	100
Mapletree Regional Services Pte Ltd	Management services	Singapore	**100**	100
Mapletree Project Management Pte Ltd	Management services	Singapore	**100**	100
Mapletree Management Services Japan Kabushiki Kaisha[1]	Management services	Japan	**100**	100
Directly held by Mapletree Oakwood Holdings Pte Ltd (f.k.a Mapletree SR Holdings Pte Ltd)				
Mapletree SR Australia Management Pty Ltd	Management services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte Ltd and Mapletree Property Services Pte Ltd				
Mapletree India Management Services Private Limited	Fund management and advisory services	India	**100**	100
Directly held by Heliconia Realty Pte Ltd				
Mapletree Business City Pte Ltd	Property owner and development of properties for investment	Singapore	**100**	100

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly held by The HarbourFront Pte Ltd				
HarbourFront Two Pte Ltd	Property owner	Singapore	**100**	100
HarbourFront Centre Pte Ltd	Property owner	Singapore	**100**	100
Directly held by Mapletree Dextra Pte Ltd				
Winning Paramount Sdn Bhd	Property owner	Malaysia	**80**	100
Trinity Bliss Sdn Bhd	Property owner	Malaysia	**80**	100
Indirectly held by Mapletree Developments Pte Ltd				
Marina Trust Pte Ltd (As Trustee-Manager of Marina Trust)	Property owner and development of properties for investment	Singapore	**100**	100
Indirectly held by Mapletree Dextra Pte Ltd				
Godo Kaisha Zelkova (GK Zelkova)[2]	Property Owner	Japan	**100**	–
Godo Kaisha Namba 3-Chome Kaihatsu Jigyo (f.k.a Godo Kaisha Apricot)	Property owner	Japan	**91**	91
Mapletree TY (HKSAR) Limited[4]	Property investment	Hong Kong SAR	**–**	100
Ever-Fortune Trading Center Joint Stock Company	Property owner	Vietnam	**100**	100
Mapletree Business City (Vietnam) Co Ltd	Property owner	Vietnam	**100**	100
Saigon Boulevard Complex Company Limited	Property owner	Vietnam	**100**	100
Sunstone KB (HKSAR) Limited	Property owner	Hong Kong SAR	**100**	100
Arca Technology (Beijing) Co Ltd	Property owner	PRC	**100**	100

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Indirectly held by Mapletree Oakwood Holdings Pte Ltd (f.k.a Mapletree SR Holdings Pte Ltd)				
Labrador Cascades LLC	Property owner	United States of America	**100**	100
Eighth Willshire LLC	Property owner	United States of America	**100**	100
Boulevard City LLC	Property owner	United States of America	**100**	100
Oakwood Worldwide (US) LP	Management services	United States of America	**100**	100
Oakwood Worldwide (Asia) Pte Ltd (f.k.a Oakwood/R&B Holdings Pte Ltd)	Management services	Singapore	**100**	100
Pine (UK) Holdings Ltd	Management services	United Kingdom	**100**	100
Indirectly held by Mapletree US Office Assets Pte Ltd				
South Sixth Office LLC[2]	Property owner	United States of America	**100**	–
Indirectly held by Moonstone Assets Pte Ltd				
Montague QL Trust	Property owner	Australia	**100**	100
Grafton ROA Trust	Property owner	Australia	**100**	100
Aberdeen IQ Unit Trust	Property owner	Jersey/ United Kingdom	**100**	100
Hardman Investments Unit Trust	Property owner	Jersey/ United Kingdom	**100**	100
Glass Wharf JV Limited	Property owner	Jersey/ United Kingdom	**100**	100
West Munich Assets Sarl	Property owner	Luxembourg/ Germany	**100**	100

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Indirectly held by Moonstone Assets Pte Ltd (continued)				
Rhein Assets Sarl	Property owner	Luxembourg/ Germany	**100**	100
Derry Park Assets (UK) Limited	Property owner	United Kingdom	**100**	100
Green Park Reading No 1 LLP	Property owner	United Kingdom	**100**	100
Yarra Assets Trust (The Trust Company Limited as Trustee) [2]	Property owner	Australia	**100**	–
Indirectly held by Gemstone Asset Holdings Pte Ltd (f.k.a Alexander Assets 1 Pte Ltd)				
Minneapolis Huron Properties I, LLC[2]	Property owner	United States of America	**100**	–
Pittsburgh Properties I, LP[2]	Property owner	United States of America	**100**	–
Chester Loft LLC[2]	Property owner	United States of America	**100**	–
Cambridgeshire Assets Limited[2]	Property Owner	United Kingdom	**100**	–
Fort Collins Properties I, LLC[2]	Property owner	United States of America	**100**	–
Indirectly held by Amberstone Asset Holdings Pte Ltd				
Denver Properties I, LLC[2]	Property owner	United States of America	**100**	–
Minneapolis Properties III, LLC[2]	Property owner	United States of America	**100**	–
Glendale Properties I, LLC[2]	Property owner	United States of America	**100**	–
Glendale Properties II, LLC[2]	Property Owner	United States of America	**100**	–

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly held by Mapletree DC Ventures Pte Ltd, Mapletree Industrial Trust				
Mapletree Redwood Data Centre Trust (f.k.a Mapletree Redwood Trust)[3]	Property owner	Singapore	**73**	–
Directly held by Meranti Investments Pte Ltd, Mangrove Pte Ltd, Mulberry Pte Ltd, Mapletree Logistics Properties Pte Ltd and Mapletree Logistics Trust Management Ltd				
Mapletree Logistic Trust[3] – Real Estate Investment Trust	Property owner	Singapore	**36**	40
Directly held by Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, Mapletree Greater China Commercial Trust Management Ltd and Mapletree Greater China Property Management Limited				
Mapletree Greater China Commercial Trust[3] – Real Estate Investment Trust	Property owner	Singapore	**36**	34
Directly held by Sienna Pte Ltd, The HarbourFront Pte Ltd, HarbourFront Place Pte Ltd, HarbourFront Eight Pte Ltd and Mapletree Commercial Trust Management Ltd				
Mapletree Commercial Trust[3] – Real Estate Investment Trust	Property owner	Singapore	**34**	38
Directly held by Mapletree Dextra Pte Ltd and Mapletree Industrial Management Ltd				
Mapletree Industrial Trust[3] – Real Estate Investment Trust	Property owner	Singapore	**33**	34

35. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

(b) Associated companies/Joint venture

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2018 %	2017 %
Directly or indirectly held by Mapletree PE Pte Ltd				
Mapletree China Opportunity Fund II Feeder LP	Investment holding and property owner	Cayman Islands/ PRC	**36**	36
NH Assets Pte Ltd[5]	Investment holding and property owner	Singapore/ PRC	**–**	24
MJLD Pte Ltd	Investment holding and property owner	Singapore/ Japan	**38**	38
MJOF Pte Ltd	Investment holding and property owner	Singapore/ Japan	**36**	36
Indirectly held by Mapletree Dextra Pte Ltd				
Mapletree India China Fund Ltd	Investment holding and property owner	Cayman Islands/PRC	**43**	43
Vietsin Commercial Complex Development Joint Stock Company	Property owner	Vietnam	**62**	62
Stable Growth Investment Limited	Investment holding and property owner	Hong Kong/ PRC	**20**	20
Indirectly held by Gemstone Asset Holdings Pte Ltd (f.k.a Alexander Assets 1 Pte Ltd)				
MGSA P-Trust (f.k.a Mapletree Avon Trust)	Investment holding and property owner	Singapore/ United States of America/ United Kingdom	**33**	33

1 Not required to be audited under the legislations in the country of incorporation
2 Incorporated/Acquired during the year
3 Control of the REITs without majority equity interest and voting power (Note 15)
4 Divested to Mapletree Logistics Trust in October 2017
5 Divested in February 2018

36. SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The Group's subsidiaries with material non-controlling interests comprise the following:

	Group 2018 $'000	Group 2017 $'000
MLT	**2,170,298**	1,567,675
MCT	**2,829,572**	2,623,414
MIT	**1,866,174**	1,665,195
MGCCT	**2,497,533**	2,358,828
Others	**7,481**	6,802
	9,371,058	8,221,914

The REITs are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subjected to review by the trustee of the REITs or significant transaction must be approved by a majority of votes by the remaining unitholders in the REITs at a meeting of unitholders. Under the respective trust deeds, neither the Group nor any other unitholders have the right to transfer assets (or part therefore) of the REITs to other entities within or outside of the Group.

Set out below are the summarised financial information of the REITs. These are presented before intra-group eliminations.

Summarised statements of financial position

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
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**
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

36. SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statements of comprehensive income

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
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)**
2017				
Revenue	373,138	377,747	340,565	350,629
Profit before income tax	252,847	345,840	270,571	412,579
Income tax expense	(40,166)	–	–	(40,080)
Profit after income tax	212,681	345,840	270,571	372,499
Other comprehensive income/(loss)	49,246	(812)	(1,127)	14,687
Total comprehensive income	261,927	345,028	269,444	387,186
Total comprehensive income allocated to non-controlling interests	141,430	225,751	177,223	250,987
Dividends paid to non-controlling interests	(111,478)	(131,278)	(134,145)	(133,593)

36 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statement of cash flows

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
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**
2017				
Cash generated from operations	279,129	292,682	234,046	241,681
Income tax paid	(12,233)	(5,111)	–	(14,898)
Net cash generated from operating activities	266,896	287,571	234,046	226,783
Net cash (used in)/generated from investing activities	(359,306)	(1,852,750)	(103,856)	2,251
Net cash generated from/(used in) financing activities	91,370	1,555,497	(146,545)	(198,933)
Net (decrease)/increase in cash and cash equivalents	(1,040)	(9,682)	(16,355)	30,101
Cash and cash equivalents at beginning of financial year	93,316	63,589	54,340	206,107
Effect of currency translation on cash and cash equivalents	282	–	–	(1,351)
Cash and cash equivalents at end of financial year	92,558	53,907	37,985	234,857

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries which constitute a business combination

(i) Acquisition of Singapore Cruise Centre Pte Ltd

On 29 March 2018, the Group acquired a 100% shareholding interest in Singapore Cruise Centre Pte Ltd ("SCCPL"), a cruise and ferry port operator, for a cash consideration of $62.9 million. The acquisition was made as part of its long term strategy to further enhance synergy within the group.

Identifiable assets acquired and liabilities assumed, at fair value

	2018 $'000
Cash and cash equivalents	6,423
Trade and other receivables	3,726
Property, plant and equipment (Note 18)	86
Intangible assets (Note 19)	76,882
Total assets	87,117
Trade and other payables	12,698
Current tax payable	3,083
Deferred income taxes (Note 23)	8,424
Total liabilities	24,205
Total identifiable net assets acquired/total purchase consideration	62,912
Cash of subsidiaries acquired	(6,423)
Cash outflow on acquisition	56,489

Acquisition-related costs

Acquisition-related costs of $0.5 million have been recognised in "Professional fees" and "Other taxes" in the Group's statement of profit or loss for the financial year ended 31 March 2018.

Revenue and profit contribution

The revenue and profit contribution from the acquired business from the date of acquisition to the end of the financial year is immaterial to the Group. Management has also assessed that had the acquired business been consolidated from 1 April 2017, the impact to the Group's revenue and profit for the financial year ended 31 March 2018 is immaterial to the Group.

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

(ii) Acquisition of Saigon Boulevard Complex Company Limited

In June 2016, the Group completed the acquisition of a 100% equity interest in Saigon Boulevard Complex Company Limited ("SBC") from Kumho Industrial Company Limited and Asiana Airlines Limited as part of the overall strategy to invest in income-yielding assets. SBC is located in District 1 of Ho Chi Minh City, Vietnam, and is a prime mixed-use asset comprising a 21-storey Grade A office building, a 32-storey serviced apartment tower, a 21-storey hotel, and a retail podium with food and beverage offerings.

Purchase consideration

The purchase consideration was US$219.4 million (approximately $296.1 million), and was arrived at after taking into account the fair value of the asset on acquisition date.

Acquisition-related costs

Acquisition-related costs of $8.5 million was recognised in "Professional fees" in the Group's statement of profit or loss for the financial year ended 31 March 2017.

Identifiable assets acquired and liabilities assumed, at fair value

	2017 $'000
Cash and cash equivalents	25,866
Trade and other receivables	2,122
Other assets	1,064
Deferred income taxes (Note 23)	1,031
Investment properties (Note 16)	310,528
Property, plant and equipment (Note 18)	137,455
Inventory	235
Total assets	478,301
Trade and other payables	24,660
Borrowings	131,687
Total liabilities	156,347
Total identifiable net assets acquired	321,954
Total consideration	321,954
Cash of subsidiary acquired	(25,866)
Cash outflow on acquisition	296,088

Revenue and profit contribution

From the acquisition date, SBC had contributed revenue of $64.0 million and profit of $78.0 million to the Group. Had SBC been consolidated from 1 April 2016, the impact to the Group's revenue and profit for the financial year ended 31 March 2017 would have been $78.0 million and $75.0 million respectively.

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

(iii) Acquisition of Oakwood Worldwide

In February 2017, the Group completed the acquisition of Oakwood Worldwide. Based on the Purchase Price Allocation ("PPA"), the goodwill was provisionally determined at $34.3 million as at 31 March 2017. The PPA was finalised during the current financial year and the effects from the finalisation of the PPA are as follows:

	Provisional fair values 2017 $'000	Adjustment $'000	**Finalised fair values 2018 $'000**
Property, plant and equipment (Note 18)	14,834	(2,798)	**12,036**
Trade names (Note 19)	73,753	–	**73,753**
Customer-related intangibles (Note 19)	18,715	–	**18,715**
Net working capital	57,434	(11,913)	**45,521**
Deferred income taxes (Note 23)	(1,909)	–	**(1,909)**
Total identifiable net assets purchased	162,827	(14,711)	**148,116**
Goodwill (Note 19)	34,341	14,133	**48,474**
49% interest in ORBH*	(25,181)	578	**(24,603)**
Total consideration	171,987	–	**171,987**
Cash of subsidiaries acquired	(12,956)	(753)	**(13,709)**
Cash (inflow)/outflow on acquisition	159,031	(753)	**158,278**

As the effect from the finalisation of PPA is not material to the financial statements for both current and prior year, the comparative figures of the Group have not been restated to reflect the PPA finalisation.

* Oakwood Worldwide (Asia) Pte. Ltd. (f.k.a Oakwood/R&B Holdings Pte.Ltd.)

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries which does not constitute a business combination

The list of acquisition of subsidiaries which does not constitute a business combination is as follows:

Financial year ended 31 March 2018

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Charleston Properties I, LLC	USA	May 2017	100%
Sweetwater Properties I, LLC	USA	May 2017	100%
Fort Collins Properties I, LLC	USA	May 2017	100%
Columbia Properties II, LLC	USA	May 2017	100%
Pittsburgh Properties I, LP	USA	May 2017	100%
Minneapolis Huron Properties I, LLC	USA	May 2017	100%
Minneapolis Properties II, LLC	USA	May 2017	100%
Minneapolis Properties III, LLC	USA	May 2017	100%
Decatur Properties I, LLC	USA	May 2017	100%
Glendale Properties I, LLC	USA	May 2017	100%
Glendale Properties II, LLC	USA	May 2017	100%
Denver Properties I, LLC	USA	May 2017	100%
3275262 Nova Scotia Company	Canada	May 2017	100%
Digital China (Chengdu) Science Park Co., Ltd	China	June 2017	100%

Financial year ended 31 March 2017

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Green Park One Investment Limited	Jersey	May 2016	100%
Green Park Two Investment Limited	Jersey	May 2016	100%
Green Park Reading No. 1 LLP	UK	May 2016	100%
Greenpark (Reading) Limited	UK	May 2016	88.2%

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries which does not constitute a business combination (continued)

The cash flows and net assets of subsidiaries acquired are provided below:

	Group	
	2018	2017
	$'000	$'000
Cash and cash equivalents	**488**	42,216
Trade and other receivables	**7,486**	81,410
Other assets	**1,148**	–
Investment properties (Note 16)	**1,137,808**	1,021,609
Properties under development (Note 17)	**4,975**	–
Trade and other payables	**(9,737)**	(51,878)
Borrowings	**(12,250)**	(818,335)
Net assets acquired/ Total purchase consideration	**1,129,918**	275,022
Less:		
Cash of subsidiaries acquired	**(488)**	(42,216)
Deposit paid in prior financial year	**(106,550)**	(109,780)
Cash outflow on acquisition	**1,022,880**	123,026

(c) Disposal of subsidiaries and associate

The list of disposal of associate is as follows:

Financial year ended 31 March 2018

Name of associate	Date of disposal	Effective interest disposed
NH Assets Pte Ltd	February 2018	24%

In February 2018, the Group disposed of its 24% stake in an associate, NH Assets Pte Ltd through the transfer of its wholly owned subsidiary in stake in Nanhai 4 Pte Ltd to an external party.

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(c) Disposal of subsidiaries and associate (continued)

Financial year ended 31 March 2017

Name of subsidiaries	Date of disposal	Effective interest disposed
Godo Kaisha Joso	February 2017	60%
Godo Kaisha Odawara 1	February 2017	60%
Godo Kaisha Odawara 2	February 2017	60%
MGSA P-Trust	March 2017	67%
Great North Holdings Pte Ltd	March 2017	67%
Oxfordshire Asset Limited	March 2017	67%
London Crescent Limited	March 2017	67%
Lancashire Assets Limited	March 2017	67%
Lincolnshire Assets Limited	March 2017	67%
Highland Assets Limited	March 2017	67%
Leicestershire Assets Limited	March 2017	67%
Roosevelt Assets Limited	March 2017	67%
HF (USA) Inc	March 2017	67%
Jefferson Loft Holdings Pte Ltd	March 2017	67%
Jefferson Loft (US) assets Pte Ltd	March 2017	67%
Jefferson Loft LLC	March 2017	67%
Madison Loft Holdings Pte Ltd	March 2017	67%
Madison Loft (US) Assets Pte Ltd	March 2017	67%
Madison Loft LLC	March 2017	67%

37. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(c) Disposal of subsidiaries and associate (continued)

The cash flows and net assets of subsidiaries disposed are provided below:

	2017 $'000
Cash and cash equivalents	42,701
Trade and other receivables	40,713
Other assets	24,685
Investment properties (Note 16)	2,052,667
Property, plant and equipment (Note 18)	66
Trade and other payables	(101,387)
Deferred income taxes (Note 23)	(16,979)
Borrowings	(1,885,019)
Net assets derecognised/disposed	157,447
Corporate restructuring surplus (Note 5)	153,509
Reclassification of currency translation reserve	5,018
Less: 3% retained interest	(6,959)
	309,015
Cash of subsidiaries disposed	(42,701)
Cash inflow on disposal	266,314

38. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)s") hereinafter.

The Group will be voluntarily adopting SFRS(I)s on 1 April 2018 and will be issuing its first set of financial information prepared under SFRS(I)s for the year ended 31 March 2019.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply new major SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers.*

38. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (CONTINUED)

(a) Application of SFRS(I) 1

The Group is required to retrospectively apply all SFRS(I)s effective at the end of the first SFRS(I) reporting period (financial year ending 31 March 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group is in the process of assessing the impact of the adoption of the new framework but does not expect a significant impact on the financial statements in the year of initial adoption, except for the following:

- SFRS(I) 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

  SFRS(I) 9 replaces SFRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

  SFRS(I) 9 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI ("FVOCI"). Gains and loses realized on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained earnings.

  Under SFRS(I) 9, there are no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair value changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

  SFRS(I) 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management uses for risk management purposes.

  There is also now a new expected credit losses impairment model that replaces the incurred loss impairment model used in SFRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under SFRS(I) 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group is assessing the impact of the standard and will apply the standard from 1 April 2018.

- SFRS(I) 15 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

  The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

38. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (CONTINUED)

(a) Application of SFRS(I) 1 (continued)

- SFRS(I) 15 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018) (continued)

  SFRS(I) 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Group is assessing the impact of the standard and in accordance with the requirements of SFRS(I) 1, the Group will adopt SFRS(I) 15 retrospectively.

- 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 balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay 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 plans to adopt the new standard retrospectively on 1 April 2019. 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.

39. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 9 March 2018, the Group signed an agreement relating to the acquisition of a portfolio of 164 logistics and distribution assets in the USA, for a total consideration of US$2,390 million (approximately $3,151 million). Out of the 164 assets, the acquisition of 159 assets was completed on 26 April 2018.

40. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Mapletree Investments Pte Ltd on 16 May 2018.

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