Financial Statements

Contents

Directors' Statement

For the financial year ended 31 March 2017

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

In the opinion of the Directors,

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

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

Directors

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

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

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those disclosed under "Mapletree Performance Share Units Plan", "Mapletree Restricted Share Units Plan" and "Mapletree NED Restricted Share Units Plan" on pages 91 to 92 of this statement.

Directors' interests in shares or debentures

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

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

Share-Based Compensation Plans

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

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

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

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

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

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

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

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

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

Footnotes:

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

Directors' Statement

For the financial year ended 31 March 2017

Share-Based Compensation Plans (continued)

(b) Mapletree NED Restricted Share Units Plan

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

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

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

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

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

Independent Auditor

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

On behalf of directors

Cheng Wai Wing Edmund
Chairman

Hiew Yoon Khong
Group Chief Executive Officer/ Director

17 May 2017

Independent Auditor's Report

to the Member of Mapletree Investments Pte Ltd

Report on the Audit of the Financial Statements

Our opinion

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

What we have audited

The financial statements of the Company and the Group comprise:

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

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Other Information

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

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

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

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

Independent Auditor's Report

to the Member of Mapletree Investments Pte Ltd

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 17 May 2017

Statements of Profit or Loss

For the financial year ended 31 March 2017

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

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

Statements of Comprehensive Income

For the financial year ended 31 March 2017

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

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

Statements of Financial Position

As at 31 March 2017

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

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

Statement of Changes in Equity – Group

As at 31 March 2017

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

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

Statement of Changes in Equity – Group

As at 31 March 2017

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

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

Statement of Changes in Equity – Company

As at 31 March 2017

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

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

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

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

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

Significant non-cash transactions

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

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

1. General information

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2016

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

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

2.2 Revenue recognition

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

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

(a) Leasing income

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

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

(b) Income from hotel operations

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

(c) Rendering of services

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

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

(d) Interest income

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

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(e) Dividend income

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

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

(iii) Disposals

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

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

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals (continued)

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

(b) Transactions with non-controlling interests

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

(c) Associated companies and joint ventures

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

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

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

(i) Acquisitions

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

(ii) Equity method of accounting

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

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

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

(iii) Disposals

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

Leasehold land and building

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

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

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

Other assets

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

(b) Depreciation

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

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

2. Significant accounting policies (continued)

2.5 Intangible assets

(a) Acquired intangible assets

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

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

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

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

(i) Computer software licenses

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

(ii) Trade names

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

(iii) Customer-related intangibles

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

(b) Goodwill on acquisitions

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

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

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

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

2.6 Borrowing costs

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

2. Significant accounting policies (continued)

2.7 Investment properties and properties under development

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

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

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

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

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

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

2.8 Property held for sale

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

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

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

2.9 Investments in subsidiaries, associated companies and joint ventures

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

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

2.10 Impairment of non-financial assets

(a) Goodwill

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

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

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

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

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

2. Significant accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

(b) Other non-financial assets

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

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

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

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

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

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

2.11 Financial assets

(a) Classification

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

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

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

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

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

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in the fair value reserve relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

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

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidences that these financial assets are impaired.

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

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

(ii) Available-for-sale financial assets

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

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

2. Significant accounting policies (continued)

2.12 Financial guarantees

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

(a) Financial guarantees classified as financial liabilities

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to the profit or loss.

Intra-group transactions are eliminated on consolidation.

(b) Financial guarantees classified as insurance contracts

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

Intra-group transactions are eliminated on consolidation.

2.13 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the reporting date are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the reporting date are presented as non-current borrowings in the statements of financial position.

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.15 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments such as interest rate swaps, currency forwards and cross currency interest rate swaps to hedge its interest rate and foreign currency risk exposures.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (a) cash flow hedge, (b) net investment hedge, or (c) fair value hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

2. Significant accounting policies (continued)

2.15 Derivative financial instruments and hedging activities (continued)

The Group documents, at the inception of the transaction, the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

(a) Cash flow hedge

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedge reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

(iii) Cross currency interest rate swaps

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowing and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the fair value reserve and reclassified to profit or loss when the hedged interest expense and/or exchange differences from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(b) Net investment hedge

The Group has derivative financial instruments/borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the hedging instruments relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(c) Fair value hedge

The Group has entered into fixed to floating interest rate swaps that are fair value hedges for the fair value exposures to interest rate movements of its borrowings ("hedged item"). The fair value changes on the hedged item resulting from the fair value risk are recognised in profit or loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in profit or loss within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in profit or loss.

2. Significant accounting policies (continued)

2.16 Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.19 Leases

(a) When the Group is the lessee:

Operating leases

Leases where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

(b) When the Group is the lessor:

Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

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

2.20 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. Significant accounting policies (continued)

2.20 Income taxes (continued)

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

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

Deferred income tax is measured:

(i) At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) Based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from business combination is adjusted against goodwill on acquisition.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

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

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) Share-based compensation

The Group operates the following share-based compensation plans:

(i) Company

The Company operates the Mapletree Performance Share Units Plan (“Mapletree PSU Plan”), Mapletree Restricted Share Units Plan (“Mapletree RSU Plan”) and Mapletree NED Restricted Share Units Plan (“Mapletree NED RSU Plan”).

(ii) Subsidiaries

The Group’s wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd, each operate a Performance Share Units Plan (“REIT PSU Plan”) and a Restricted Share Units Plan (“REIT RSU Plan”).

Equity-settled share-based compensation is measured at fair value at the date of grant, whereas cash-settled share-based compensation is measured at current fair value at each reporting date. In estimating the fair value of the compensation cost at grant date, market-based performance conditions are taken into account. The compensation cost is recognised as an expense in profit or loss on a basis that fairly reflects the manner in which the benefits will accrue to the employees under the respective plans over the vesting period.

For equity-settled share-based compensation, any change in fair value of the compensation cost at year end, arising from a change in the estimate of the number of rights/units that are expected to become exercisable on the vesting date, is recognised in profit or loss, with a corresponding adjustment to the share compensation reserve over the remaining vesting period.

2. Significant accounting policies (continued)

2.21 Employee compensation (continued)

(c) Share-based compensation (continued)

For cash-settled share-based compensation, any change in fair value of the compensation cost, arising from the re-measurement of liability at each reporting date, is recognised in profit or loss, with a corresponding adjustment to the liability over the remaining vesting period.

When an equity-settled share-based compensation award is modified to become a cash-settled award, this is accounted for as a repurchase of an equity interest. Any excess over the fair value at the date of the grant is treated as a deduction from equity, provided the deduction is not greater than the fair value of the equity instruments when measured at the modification date. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

The compensation cost for the respective PSU Plans and RSU Plans are measured based on the latest estimate of the number of units that will be awarded based on non-market vesting conditions at each reporting date. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

The compensation cost for the Mapletree NED RSU Plan is based on the number of units awarded at the date of grant. Any increase or decrease in compensation cost over the previous estimate is recognised in profit or loss, with a corresponding adjustment to share compensation reserve or liability for equity-settled units and cash-settled units respectively.

Where the terms of the share-based compensation plans are modified, the expense that is not yet recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the rights/units due to the modification, as measured at the date of the modification.

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated foreign currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses are presented in profit or loss within "Other gains – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

Notes to the Financial Statements

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Committee ("EMC") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings on the statements of financial position.

2.25 Share capital and perpetual securities

Ordinary shares, perpetual securities and redeemable preference shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entities that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new ordinary or redeemable preference shares or perpetual securities are shown in equity as a deduction, net of tax, from proceeds. The proceeds received net of any directly attributable transactions costs are credited to share capital or perpetual securities.

2.26 Dividends

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

2.27 Government grants

Government grants are recognised as receivables at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment

Investment properties (Note 16), properties under development (Note 17) and leasehold land and building classified under property, plant and equipment (Note 18) are stated at fair value based on valuation primarily by independent professional valuers. The fair values are based on highest and best use basis.

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

(a) Fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment (continued)

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flows, direct comparison method and residual value method, where appropriate (Note 29).

The fair value of investment properties, properties under development and leasehold land and building classified under property, plant and equipment are as disclosed in the respective notes.

(b) Income tax

The Group has exposure to taxes in numerous jurisdictions. In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes may be due. Significant estimates and assumptions are required to determine the amount of current and deferred tax that can be recognised, and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the statement of financial position.

(c) Acquisition of real estate assets

The Group acquires properties either directly or indirectly through the purchase of entities which own these properties. At the time of acquisition, the Group considers whether the purchase of entities constitute a business combination. In cases where the property is capable of being operated as a business, or an integrated set of activities is acquired in addition to the property, the Group accounts for the acquisition as a business combination. When the acquisition does not represent a business, it is accounted for as a purchase of a group of assets and liabilities. In making this distinction, the Group identifies and considers the assets purchased and processes transferred (“elements”), assesses the capability of those elements to generate economic benefits and assesses the impact of any missing elements on a third party’s ability to generate economic benefits.

Based on management's assessment, all properties acquired during the financial year did not represent acquisition of businesses except for the acquisition of Kumho Asiana Plaza Saigon Co. Ltd. (Note 37(a)) and were accounted for as a purchase of a group of assets and liabilities accordingly.

(d) Classification of real estate assets as investment property

Judgement is applied in determining whether the Group’s investment in the following classes of real estate assets are investment properties or property, plant and equipment:

- Student housing properties
- Corporate housing properties
- Serviced apartments
- Hotel property

The key criteria used in the determination is the level of ancillary services provided to tenants or guests and the length of stay at these properties. Only properties with significant level of ancillary services provided and shorter length of stay will be classified as property, plant and equipment.

Based on management's assessment, all of the above classes of real estate assets are classified as investment properties (Note 16) except for a hotel property acquired during the financial year which is classified as property, plant and equipment (Note 18).

Notes to the Financial Statements

For the financial year ended 31 March 2017

4. Revenue

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Leasing income from				
– Investment properties	**1,785,117**	1,464,500	**–**	–
– Corporate housing operations	**55,478**	–	**–**	–
Income from hotel operations	**33,202**	–	**–**	–
Service charge	**226,727**	194,366	**–**	–
Fees from management services				
– Subsidiaries	**–**	–	**119,035**	123,316
– Others	**78,863**	84,490	**–**	–
Car parking fees	**49,084**	44,875	**–**	–
Dividend income from third parties	**4,198**	4,460	**–**	–
Dividend income from subsidiaries	**–**	–	**1,659,190**	480,299
Interest income from loan to an unrelated party	**3,410**	3,093	**–**	–
Other operating income	**92,756**	83,080	**128**	131
	2,328,835	1,878,864	**1,778,353**	603,746

5. Other gains – net

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Amortisation of financial guarantee contracts	**–**	–	**3,080**	3,080
Reversal of impairment loss in a subsidiary	**–**	–	**–**	336,075
Revaluation gain on investment properties and properties under development – net	**996,818**	735,728	**–**	–
Corporate restructuring surplus on disposal of subsidiaries (Note 37(d))	**153,509**	–	**–**	–
(Loss)/Gain on disposal of:				
– Investment properties	**(3,113)**	10,818	**–**	–
– Subsidiary, associated companies and joint venture – net	**–**	971	**–**	–
– Available-for-sale financial assets	**–**	825	**–**	–
	(3,113)	12,614	**–**	–
– Currency exchange gain/(loss) – net	**5,859**	(47,290)	**–**	–
– Changes in fair value of derivative financial instruments	**(27,208)**	65,014	**–**	–
	1,125,865	766,066	**3,080**	339,155

The net revaluation gain on investment properties and properties under development attributable to the equity holder of the Company and to non-controlling interests of the Group amounted to $684.6 million (2016: $398.7 million) and $312.2 million (2016: $337.0 million) respectively.

6. Employee compensation

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Wages and salaries	**274,477**	171,888	**140,035**	66,844
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	**14,014**	11,512	**8,914**	7,445
Share-based compensation expenses	**21,310**	13,912	**21,164**	13,912
	309,801	197,312	**170,113**	88,201

Employee headcount was 3,414 (2016: 2,023) as at 31 March 2017.

7. Finance (cost)/income – net

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Financing fees	**(14,261)**	(13,918)	**–**	–
Interest expense				
– Bank borrowings	**(204,566)**	(168,487)	**–**	–
– Derivative instruments – hedge accounting	**(34,327)**	(15,637)	**–**	–
– Derivative instruments – non-hedge accounting	**(8,367)**	(2,082)	**–**	–
– Medium term notes	**(75,537)**	(52,323)	**–**	–
– Loans from a non-controlling interest of subsidiaries	**(2,869)**	–	**–**	–
– Finance lease liabilities	**(42)**	–	**–**	–
	(325,708)	(238,529)	**–**	–
Interest income				
– Subsidiaries	**–**	–	**16,243**	5,621
– Short-term bank deposits	**5,306**	4,089	**27**	21
– Others	**2,982**	2,204	**–**	–
	8,288	6,293	**16,270**	5,642
	(331,681)	(246,154)	**16,270**	5,642

8. Income tax expense/(credit)

(a) Income tax expense/(credit)

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Tax expense/(credit) attributable to profit is made up of:				
Profit for the financial year:				
Current income tax				
– Singapore	**76,623**	74,852	**1,974**	3,633
– Foreign	**56,769**	36,217	**–**	–
	133,392	111,069	**1,974**	3,633
Deferred income tax	**46,277**	36,600	**(10,970)**	124
Withholding tax	**22,108**	16,991	**–**	–
	201,777	164,660	**(8,996)**	3,757
(Over)/Under provision in prior financial years:				
– Current income tax	**(7,648)**	1,148	**30**	(1,209)
– Deferred income tax	**4,614**	(11,439)	**(12,410)**	–
	198,743	154,369	**(21,376)**	2,548

8. Income tax expense/(credit) (continued)

(a) Income tax expense/(credit) (continued)

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

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Profit before income tax	**2,366,755**	1,895,506	**1,601,074**	836,733
Tax calculated at a tax rate of 17% (2016: 17%)	**402,348**	322,236	**272,183**	142,245
Effects of:				
– Singapore statutory stepped income exemption	**(2,519)**	(2,902)	**(36)**	(46)
– Revaluation gain on investment properties and properties under development not subject to tax	**(145,409)**	(108,488)	**–**	–
– Income not subject to tax	**(36,232)**	(23,142)	**(282,622)**	(139,333)
– Expenses not deductible for tax purposes	**47,891**	33,716	**1,479**	891
– Unrecognised tax benefits	**4,860**	3,950	**–**	–
– Recognition of previously unrecognised tax losses	**(1,480)**	(4,116)	**–**	–
– Tax losses not allowed for carry forward	**7,702**	580	**–**	–
– Tax calculated on share of profit of associated companies and joint ventures	**(17,403)**	(8,008)	**–**	–
– Different tax rates in other countries	**4,613**	4,093	**–**	–
– Income from REITs not subject to tax	**(61,113)**	(51,063)	**–**	–
– Foreign source income subject to withholding tax	**5,370**	4,581	**–**	–
– Others	**(6,851)**	(6,777)	**–**	–
Tax charge/(credit) on profit for the financial year	**201,777**	164,660	**(8,996)**	3,757

(b) Tax charge of $1.0 million (2016: $1.2 million) relating to fair value changes and reclassification adjustments on cash flow hedges has been included in other comprehensive income.

(c) Tax credit of $6.2 million (2016: $5.2 million) relating to perpetual securities distribution has been recognised directly in equity.

9. Cash and cash equivalents

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Cash at bank and on hand	**881,735**	830,660	**8,236**	6,918
Short-term bank deposits	**298,088**	196,310	**3,009**	4,000
	1,179,823	1,026,970	**11,245**	10,918

Short-term bank deposits of the Group and the Company at the reporting date had an average maturity of 49 days (2016: 39 days) from the end of the financial year. The effective interest rates at reporting date ranged from 0.30% to 4.70% (2016: 0.10% to 5.50%) per annum and the interest rates are re-priced upon maturity.

10. Trade and other receivables

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Current				
Trade receivables:				
– Subsidiaries	**–**	–	**9,158**	7,100
– Associated companies	**21,147**	36,932	**–**	–
– Non-related parties	**138,420**	33,393	**–**	–
	159,567	70,325	**9,158**	7,100
Less: Allowance for impairment of non-related parties receivables	**(1,060)**	(264)	**–**	–
Trade receivables – net	**158,507**	70,061	**9,158**	7,100
Deposits placed with a subsidiary	**–**	–	**2,633,809**	851,590
Loan to a non-controlling interest of a subsidiary	**147,558**	151,380	**–**	–
Interest receivable:				
– Subsidiaries	**–**	–	**6,881**	1,776
– Non-related parties	**4,342**	2,146	**–**	–
	4,342	2,146	**6,881**	1,776
Dividend receivable	**5,382**	–	**287,300**	408,025
Goods and Service Tax ("GST") receivable – net	**–**	–	**600**	504
Non-trade receivables due from subsidiaries	**–**	–	**417,003**	417,307
Non-trade receivables due from an associated company	**18,481**	–	**–**	–
Sundry debtors	**19,759**	44,469	**–**	–
Accrued revenue	**131,963**	50,611	**182**	2,766
	175,585	95,080	**705,085**	828,602
	485,992	318,667	**3,354,933**	1,689,068
Non-current				
Non-trade receivables due from an associated company	**2,053**	–	**–**	–
Loan to a non-related party	**48,989**	47,607	**–**	–
Loans to subsidiaries	**–**	–	**2,121,193**	2,108,617
Accrued revenue	**7,904**	–	**–**	–
	58,946	47,607	**2,121,193**	2,108,617
	544,938	366,274	**5,476,126**	3,797,685

10. Trade and other receivables (continued)

Current

(a) Deposits placed with a subsidiary mature within six months (2016: six months) from the end of the financial year. The effective interest rates on the deposits at reporting date ranged from 0.84% to 1.11% (2016: 0.84% to 1.07%) per annum. The interest rates are re-priced upon maturity.

(b) Non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand.

(c) Non-trade receivables due from an associated company is unsecured, interest-free and repayment is expected within the next 12 months.

(d) The loan to a non-controlling interest of a subsidiary is secured and bears 1% interest per annum. The loan forms part of the consideration for the Group's acquisition of a land parcel in Japan from the non-controlling interest. The loan will be reclassified to properties under development upon the transfer of the land title to the Group which is expected to be within the next 12 months.

Non-current

(a) Non-trade receivables due from an associated company is unsecured, interest-free and repayment is not expected within the next 12 months.

(b) The loan to a non-related party is secured, bears interest at 7% (2016: 7%) per annum plus a variable component based on the gross profit of the borrower and is repayable in full by October 2021 (2016: February 2021).

(c) The loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, although repayments are not expected within the next 12 months.

There is no allowance for doubtful debts arising from these outstanding balances.

11. Other assets

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Current				
Deposits	**145,433**	125,775	**106,791**	747
Prepayments	**124,837**	92,686	**950**	1,138
	270,270	218,461	**107,741**	1,885
Non-current				
Deposits	**3,276**	3,742	**–**	–
Prepayments	**1,500**	1,479	**–**	–
	4,776	5,221	**–**	–
	275,046	223,682	**107,741**	1,885

Deposits

As at 31 March 2017, a deposit amounting to approximately $106.6 million was placed to acquire a portfolio of student accommodation and multi-family assets in the United States and Canada. The agreement was signed on 7 April 2017.

As at 31 March 2016, a deposit of approximately $109.8 million placed was in relation to the acquisition of the portfolio of business park offices in Thames Valley, Reading, United Kingdom ("UK"). The acquisition was completed on 18 May 2016 (Note 37(b)).

Prepayments

As at 31 March 2017, there were four (2016: three) acquired land parcels in the People's Republic of China ("PRC") amounting to approximately $41.6 million (2016: $29.8 million), pending receipt of their respective land certificates from the PRC land authorities. Accordingly, the considerations paid prior to year end were classified as prepayments as at year end.

12. Available-for-sale financial assets

	Group	
	2017	2016
	$'000	$'000
At 1 April	**138,378**	150,243
Additions	**–**	821
Disposal to an associated company	**–**	(5,204)
Fair value gains/(losses) recognised in other comprehensive income	**4,426**	(7,479)
Currency translation differences	**161**	(3)
At 31 March	**142,965**	138,378
Quoted equity securities – Singapore and Hong Kong SAR	**73,401**	68,814
Unquoted equity securities	**69,564**	69,564
	142,965	138,378

13. Investments in associated companies

	Group	
	2017	2016
	$'000	$'000
Unquoted equity and preference shares, at cost	**1,030,130**	793,454
Loans to associated companies	**91,710**	79,007
Share of post-acquisition reserves	**2,483**	(75,393)
	1,124,323	797,068

On 21 March 2017, the Group launched the Mapletree Global Student Accommodation Trust ("MGSA P-Trust"), a trust in Singapore that holds student accommodation assets located in the UK and USA, and retained a 32.6% interest. Accordingly, the Group equity accounted its interest in MGSA P-Trust, carried at approximately $245.8 million (2016: Nil) at the reporting date.

The loans to associated companies are considered as part of the Group's investment in associated companies, are unsecured, interest-free and have no fixed terms of repayment, although repayment is not expected within the next 12 months.

Details of associated companies' information are provided in Note 35. The Group's investments in associated companies and share of results represent approximately 5% of the Group's consolidated net assets and net profit.

The following amount represents the aggregate amount of the Group's share in the net profit and total comprehensive income of associated companies and their carrying amount:

	Group	
	2017	2016
	$'000	$'000
Net profit	**103,034**	60,387
Other comprehensive loss, net of tax	**(22,623)**	(47,564)
Total comprehensive income	**80,411**	12,823
Carrying value	**1,124,323**	797,068

14. Investments in joint ventures

	Group	
	2017	2016
	$'000	$'000
Unquoted equity shares, at cost	**151,642**	82,642
Loan to a joint venture	**24,835**	24,132
Share of post-acquisition reserves	**(21,837)**	(32,883)
	154,640	73,891

Based on management's assessment of the facts and circumstances in the current financial year, the Group has joint control over Vietsin Commercial Complex Development Joint Stock Company ("VCCD"). Accordingly, the Group reclassified its interest in VCCD from investment in subsidiary to investment in joint venture effective from 1 April 2016.

On 17 February 2017, as part of the Group's acquisition of Oakwood Worldwide ("Oakwood") as disclosed in Note 37(a), the Group completed the acquisition of the remaining 51% interest in Oakwood/R&B Holdings Pte Ltd and its wholly-owned subsidiaries, Oakwood Asia Pacific Pte Ltd and Oakwood Trademarks Pte Ltd ("OAP"). Accordingly, the 49% interest in OAP has been consolidated with effect from 17 February 2017.

The loan to a joint venture is considered as part of the Group's investment in the joint venture, is unsecured, bears interest ranging from 2.27% to 2.84% (2016: 2.03% to 2.24%) per annum and is repayable in full in April 2019.

The Group's investments in joint ventures and share of results represent less than 1% of the Group's consolidated net assets and net profit.

The following amount represents the aggregate amount of the Group's share in the net loss and total comprehensive income/(loss) of joint ventures and their carrying amount:

	Group	
	2017	2016
	$'000	$'000
Net loss	**(663)**	(2,035)
Other comprehensive income/(loss), net of tax	**931**	(1,800)
Total comprehensive income/(loss)	**268**	(3,835)
Carrying value	**154,640**	73,891

15. Investments in subsidiaries

	Company	
	2017	2016
	$'000	$'000
Unquoted equity shares, at cost	**1,297,145**	1,288,262
Unquoted redeemable convertible preference shares, at cost	**894,200**	1,094,200
	2,191,345	2,382,462
Financial guarantees	**115,946**	115,941
Less: Accumulated impairment losses	**(162,820)**	(162,820)
	2,144,471	2,335,583

15. Investments in subsidiaries (continued)

Details of significant subsidiaries and summarised financial information of subsidiaries with material non-controlling interests are provided in Note 35 and Note 36 respectively.

Control without majority equity interest and voting power

Under FRS 110 Consolidated Financial Statements, control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group assessed that it controls Mapletree Commercial Trust ("MCT"), Mapletree Greater China Commercial Trust ("MGCCT"), Mapletree Industrial Trust ("MIT") and Mapletree Logistics Trust ("MLT") (collectively the "REITs") although the Group owns less than half of the equity interest and voting power of the REITs as disclosed in Note 35. The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely, Mapletree Commercial Trust Management Ltd, Mapletree Greater China Commercial Trust Management Ltd, Mapletree Industrial Trust Management Ltd and Mapletree Logistics Trust Management Ltd respectively (collectively the "REIT Managers"). The REIT Managers have decision-making authority over the REITs subject to oversight by the trustee of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure. Accordingly, the Group concluded that it has control over the REITs and consolidated these investees. Summarised financial information of the REITs are disclosed in Note 36.

16. Investment properties

	Group	
	2017 **$'000**	2016 $'000
Completed investment properties		
At 1 April	**27,567,136**	22,453,924
Additions	**1,260,848**	2,011,729
Acquisition of subsidiaries with properties (Note 37)	**1,332,137**	1,754,124
Disposals	**(38,851)**	(22,358)
Disposal of subsidiaries with properties (Note 37(d))	**(2,052,667)**	–
De-consolidation of a subsidiary	**(134,818)**	–
Transfer from properties under development (Note 17)	**716,869**	789,680
Transfer from investment properties under redevelopment	**908,861**	67,344
Revaluation gain recognised in profit or loss – net	**907,872**	676,041
Currency translation differences	**(80,588)**	(163,348)
At 31 March	**30,386,799**	27,567,136
Investment properties under redevelopment		
At 1 April	**996,477**	704,278
Additions	**175,982**	347,391
Transfer to completed investment properties	**(908,861)**	(67,344)
Revaluation gain recognised in profit or loss – net	**36,037**	12,152
At 31 March	**299,635**	996,477
Total investment properties	**30,686,434**	28,563,613

16. Investment properties (continued)

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

	Group	
	2017 **$'000**	2016 $'000
Leasing income	**1,785,117**	1,464,500
Direct operating expenses arising from investment properties that generated leasing income	**(449,960)**	(368,232)

(b) Certain investment properties of the Group, amounting to $679.0 million (2016: $1.4 billion) are mortgaged to secure bank loans (Note 22).

(c) The fair value hierarchy, valuation process, techniques and inputs used to determine the fair values of investment properties and properties under development (Note 17) are disclosed in Note 29.

(d) As at 31 March 2017, the fair values of the investment properties and properties under development (Note 17) have been determined primarily by independent professional valuers. These valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. It is the intention of the Group to hold the investment properties and properties under development (Note 17) on a long term basis.

17. Properties under development

	Group	
	2017 **$'000**	2016 $'000
At 1 April	**1,647,231**	1,790,417
Additions	**737,647**	640,305
Transfer to investment properties (Note 16)	**(716,869)**	(789,680)
Transfer to property held for sale	**(24,293)**	–
De-consolidation of a subsidiary	**(41,968)**	–
Revaluation gain recognised in profit or loss – net	**52,909**	47,535
Currency translation differences	**7,893**	(41,346)
At 31 March	**1,662,550**	1,647,231

During the financial year, finance costs capitalised as part of cost of properties under development amounted to $20.8 million (2016: $16.5 million).

18. Property, plant and equipment

	Leasehold land and building $'000	Other assets $'000	Total $'000
Group			
Cost or valuation			
At 1 April 2015	–	31,209	31,209
Addition	–	6,757	6,757
Acquisition of subsidiaries (Note 37)	–	222	222
Write-offs/Disposals	–	(582)	(582)
Currency translation differences	–	(107)	(107)
At 31 March 2016	–	37,499	37,499
Addition	–	6,761	6,761
Acquisition of subsidiaries (Note 37)	130,179	22,110	152,289
Write-offs/Disposals	–	(708)	(708)
De-consolidation of a subsidiary	–	(604)	(604)
Disposal of subsidiaries (Note 37(d))	–	(350)	(350)
Currency translation differences	1,404	434	1,838
Revaluation gain	14,439	–	14,439
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**142,321**	**65,142**	**207,463**
Comprising:			
31 March 2016			
At cost	–	37,499	37,499
At valuation	–	–	–
	–	37,499	37,499
31 March 2017			
At cost	**–**	**65,142**	**65,142**
At valuation	**142,321**	**–**	**142,321**
	142,321	**65,142**	**207,463**
Accumulated depreciation			
At 1 April 2015	–	22,063	22,063
Depreciation	–	4,766	4,766
Write-offs/Disposals	–	(538)	(538)
Currency translation differences	–	(44)	(44)
At 31 March 2016	–	26,247	26,247
Depreciation	3,666	6,450	10,116
Write-offs/Disposals	–	(297)	(297)
De–consolidation of a subsidiary	–	(231)	(231)
Disposal of subsidiaries (Note 37(d))	–	(284)	(284)
Currency translation differences	35	10	45
Revaluation adjustments	(3,701)	–	(3,701)
At 31 March 2017	**–**	**31,895**	**31,895**
Net book value			
At 31 March 2017	**142,321**	**33,247**	**175,568**
At 31 March 2016	–	11,252	11,252

18. Property, plant and equipment (continued)

	Other assets $'000	Total $'000
Company		
Cost		
At 1 April 2015	17,195	17,195
Addition	4,393	4,393
Write-offs/Disposals	(20)	(20)
At 31 March 2016	21,568	21,568
Addition	3,000	3,000
Write-offs/Disposals	(223)	(223)
At 31 March 2017	**24,345**	**24,345**
Accumulated depreciation		
At 1 April 2015	10,994	10,994
Depreciation	2,876	2,876
Write-offs/Disposals	(19)	(19)
At 31 March 2016	13,851	13,851
Depreciation	3,148	3,148
Write-offs/Disposals	(110)	(110)
At 31 March 2017	**16,889**	**16,889**
Net book value		
At 31 March 2017	**7,456**	**7,456**
At 31 March 2016	7,717	7,717

The leasehold land and building of the Group with a carrying value of $142.3 million (2016: Nil) is carried at the revalued amount in accordance with the Group's accounting policy as described in Note 2.4. If the leasehold land and building was included in the financial statements at cost less accumulated depreciation and impairment losses, the net book value would have been $127.9 million (2016: Nil).

19. Intangible assets

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
(a) Software licenses				
At 1 April	**8,189**	9,066	**7,199**	7,907
Additions	**317**	643	**233**	643
Write-offs/Disposals	**–**	(3)	**–**	–
Amortisation	**(1,591)**	(1,517)	**(1,391)**	(1,351)
At 31 March	**6,915**	8,189	**6,041**	7,199
(b) Trade names with indefinite life				
At 1 April	**–**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**73,753**	–	**–**	–
Currency translation differences	**1,438**	–	**–**	–
At 31 March	**75,191**	–	**–**	–

19. Intangible assets (continued)

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
(c) Customer-related intangibles				
At 1 April	**–**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**18,715**	–	**–**	–
Currency translation differences	**556**	–	**–**	–
At 31 March	**19,271**	–	**–**	–
(d) Goodwill arising on consolidation				
At 1 April	**8,327**	8,327	**–**	–
Acquisition of subsidiaries (Note 37(a))	**34,341**	–	**–**	–
At 31 March	**42,668**	8,327	**–**	–
Total intangible assets	**144,045**	16,516	**6,041**	7,199

20. Trade and other payables

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Trade payables:				
– Related parties	**1,824**	467	**–**	–
– Non-related parties	**32,238**	28,641	**63**	24
	34,062	29,108	**63**	24
Non-trade payables:				
– Subsidiaries	**–**	–	**109,924**	4,676
– Associated company	**54,437**	45,205	**–**	–
– Non-related parties	**98,294**	80,780	**–**	–
	152,731	125,985	**109,924**	4,676
Provision for Corporate and Staff Social Responsibilities ("CSSR")	**7,413**	6,833	**7,413**	6,833
Financial guarantees	**–**	–	**4,330**	7,410
Accrued capital expenditure	**155,396**	89,868	**–**	–
Accrued operating expenses	**385,916**	333,492	**136,514**	92,068
Accrued share-based compensation expenses	**26,835**	18,480	**27,025**	18,480
Accrued retention sum	**61,196**	40,312	**–**	–
Interest payable	**49,619**	46,046	**–**	–
Goods and Services Tax ("GST") payable – net	**1,586**	6,739	**–**	–
Leasing received in advance	**77,073**	71,478	**–**	–
Tenancy deposits	**378,553**	370,817	**–**	–
Property tax payable	**10,379**	6,103	**–**	–
Other deposits	**12,572**	9,414	**24**	24
Other payables	**8,918**	6,622	**–**	–
Deferred revenue	**2,500**	2,500	**–**	–
	1,177,956	1,008,704	**175,306**	124,815
Total	**1,364,749**	1,163,797	**285,293**	129,515
Less: Non-current portion	**(320,254)**	(287,522)	**(89,585)**	(59,352)
Current portion	**1,044,495**	876,275	**195,708**	70,163

20. Trade and other payables (continued)

(a) The non-trade payables due to subsidiaries, associated company and non-related parties are unsecured, interest-free and repayable on demand.

(b) Provision for CSSR relates to the Group's CSSR commitments under its published Mapletree Shaping & Sharing Programme that strives to make social impact by empowering individuals and enriching communities through education, health, environmental and arts related causes. During the financial year, the Group committed $2.0 million (2016: $2.0 million) as a provision for the Group's CSSR programme.

(c) Included in trade and other payables are accruals relating to three employee compensation schemes, one scheme being compensation that is deferred and payable over a period of time, and the other two schemes being share-based compensation that will vest over certain qualifying periods based on duration of employees' services rendered after achieving certain performance targets. The accruals amounted to $190.0 million (2016: $122.5 million) as at 31 March 2017, out of which $122.0 million (2016: $78.3 million) is classified as non-current.

21. Derivative financial instruments

		Group		
	Maturity	Contract notional amount $'000	Fair value Assets $'000	Fair value Liabilities $'000
2017				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2017 to August 2022	5,300,765	12,044	(26,768)
– Cross currency interest rate swaps	January 2019 to March 2023	764,305	49,213	(13,248)
			61,257	(40,016)
Hedge accounting – Net investment hedges:				
– Currency forwards	April 2017 to October 2018	965,852	9,321	(12,341)
			9,321	(12,341)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	–	(64)
			–	(64)
Non-hedge accounting:				
– Interest rate swaps	April 2017 to April 2023	1,348,490	1,421	(7,883)
– Currency forwards	April 2017 to May 2023	3,489,669	24,936	(33,678)
– Cross currency interest rate swaps	November 2017 to March 2023	552,243	13,624	(52,996)
			39,981	(94,557)
Represented by:				
Current position			22,287	(41,111)
Non-current position			88,272	(105,867)
			110,559	**(146,978)**

21. Derivative financial instruments (continued)

		Group		
	Maturity	Contract notional amount $'000	Fair value Assets $'000	Fair value Liabilities $'000
2016				
Hedge accounting – Cash flow hedges:				
– Interest rate swaps	April 2016 to September 2021	4,755,374	1,867	(29,062)
– Currency forwards	April 2016 to January 2017	7,040	–	(468)
– Cross currency interest rate swaps	January 2019 to March 2023	760,090	25,195	(10,385)
			27,062	(39,915)
Hedge accounting – Net investment hedges:				
– Currency forwards	April 2016 to October 2016	505,170	4,362	(20,808)
			4,362	(20,808)
Hedge accounting – Fair value hedges:				
– Interest rate swaps	May 2023	75,000	340	–
			340	–
Non-hedge accounting:				
– Interest rate swaps	December 2016 to April 2023	1,290,590	1,109	(14,429)
– Currency forwards	April 2016 to May 2023	1,403,473	36,315	(6,046)
– Cross currency interest rate swaps	September 2016 to March 2023	565,768	7,439	(49,036)
			44,863	(69,511)
Represented by:				
Current position			27,318	(27,144)
Non-current position			49,309	(103,090)
			76,627	**(130,234)**

Period when the cash flows on cash flow hedges are expected to occur or affect profit or loss

Interest rate swaps

Interest rate swaps are transacted to hedge floating monthly and quarterly interest payments on borrowings that will mature in April 2017 to August 2022 (2016: April 2016 to September 2021). Fair value gains and losses on the interest rate swaps recognised in the other comprehensive income are reclassified to profit or loss as part of interest expense over the period of the borrowings.

Currency forwards

As at 31 March 2016, currency forwards are transacted to hedge highly probable management services fee receipts denominated in foreign currency which are expected to occur quarterly from April 2016 to January 2017. Fair value gains and losses recognised in other comprehensive income prior to the occurrence of these receipts are reclassified to profit or loss in the period during which the management services fee receipts affects profit or loss.

Cross currency interest rate swaps

Cross currency interest rate swaps are transacted to hedge quarterly and semi-annual foreign currency interest payments on borrowings that will mature in January 2019 to March 2023 (2016: January 2019 to March 2023) and foreign currency principal payments at maturity of the borrowings. Fair value changes on the cross currency interest rate swaps recognised in the hedging reserve are reclassified to the profit or loss as part of interest expense and exchange differences over the period of the borrowings.

22. Borrowings

	Group	
	2017 $'000	2016 $'000
Current		
– Bank loan (secured)	**–**	12,628
– Bank loans (unsecured)	**1,035,407**	2,247,581
– Medium term notes (unsecured)	**89,967**	–
	1,125,374	2,260,209
Non-current		
– Bank loans (secured)	**154,000**	491,427
– Bank loans (unsecured)	**9,055,203**	8,330,804
– Medium term notes (unsecured)	**2,610,565**	2,091,583
– Loans from non-controlling interests of subsidiaries (unsecured)	**150,325**	45,309
	11,970,093	10,959,123
	13,095,467	13,219,332

(a) As at 31 March 2016, the current (secured) bank loan of $12.6 million was secured by mortgage over an investment property (Note 16) and was repaid in October 2016.

(b) The current (unsecured) bank loans of $1.0 billion (2016: $2.2 billion) are repayable between April 2017 and March 2018 (2016: April 2016 and March 2017). The effective interest rates at the reporting date ranged from 0.45% to 8.10% (2016: 0.35% to 11.04%) per annum and the interest rates are re-priced every one to six months (2016: one to 12 months).

(c) The current medium term notes issued by a subsidiary pursuant to its Medium Term Note Program are repayable in March 2018 (2016: Nil). The effective interest rates at the reporting date is 4.45% (2016: Nil) and not subject to interest-rate re-priced.

(d) The non-current (secured) bank loans of $154.0 million (2016: $491.4 million) are secured by mortgages over certain investment properties (Note 16) and are repayable in 2019 (2016: 2017 and 2024). The effective interest rates at the reporting date ranged from 1.47% to 2.90% (2016: 0.14% to 8.00%) per annum and the interest rates are re-priced every one to three months (2016: three months).

(e) The non-current (unsecured) bank loans of $9.1 billion (2016: $8.3 billion) are repayable between 2018 and 2024 (2016: 2017 and 2024). The effective interest rates at the reporting date ranged from 0.29% to 7.25% (2016: 0.69% to 4.96%) per annum and the interest rates are re-priced every one to six months (2016: one to six months).

(f) The non-current medium term notes issued by the respective subsidiaries pursuant to their Medium Term Note Programme are repayable between 2018 and 2026 (2016: 2018 and 2026). The effective interest rates at the reporting date ranged from 2.27% to 4.99% (2016: 0.29% to 4.45%) and the interest rates are re-priced every three to six months (2016: three to six months).

(g) A non-current loan from a non-controlling interest of a subsidiary amounting to $29.6 million (2016: $28.8 million) is unsecured, interest-free and has no fixed terms of repayment, although repayment is not expected within the next 12 months.

The remaining non-current loans from a non-controlling interest of certain subsidiaries are unsecured and repayable between 2018 and 2019 (2016: 2018). The effective interest rates at reporting date ranged from 5.55% to 8.96% (2016: 4.54% to 6.34%) and the interest rates are re-priced every six months (2016: every six months).

23. Deferred income taxes

Movement in the deferred income tax account is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	$'000	$'000	**$'000**	$'000
At 1 April	**268,968**	241,448	**1,205**	1,081
Tax charged/(credited) to:				
– Profit or loss	**50,891**	25,161	**(23,380)**	124
– Other comprehensive income	**2,530**	1,159	**–**	–
– Equity	**(6,185)**	(5,228)	**–**	–
– Reclassification	**(20,831)**	–	**–**	–
Disposal of subsidiaries (Note 37(d))	**(16,979)**	–	**–**	–
Acquisition of subsidiaries (Note 37(a))	**878**	–	**–**	–
De-consolidation of a subsidiary	**(6,599)**	–	**–**	–
Utilisation of tax benefits	**7,581**	10,046	**–**	–
Currency translation differences	**360**	(3,618)	**–**	–
At 31 March	**280,614**	268,968	**(22,175)**	1,205

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately $70.4 million (2016: $76.2 million) at reporting date which can be carried forward and used to offset against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date except for an amount of $65.4 million (2016: $75.9 million) which will expire between 2018 to 2037. There is no expiry date for capital allowances.

Deferred income tax liabilities have not been recognised for the withholding and other taxes that will be payable on the unremitted earnings of $27.7 million (2016: $19.8 million) of overseas subsidiaries as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

The movement in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

	Group				
	Accelerated tax depreciation $'000	**Revaluation gains $'000**	**Accrued revenue $'000**	**Others $'000**	**Total $'000**
Deferred income tax liabilities					
At 1 April 2016	129,516	148,928	443	–	278,887
Charged to:					
– Profit or loss	26,945	47,058	334	1,790	76,127
– Other comprehensive loss	–	1,573	–	–	1,573
Disposal of subsidiaries	–	(17,628)	–	–	(17,628)
Acquisition of subsidiaries	–	–	–	1,909	1,909
De-consolidation of a subsidiary	–	(6,599)	–	–	(6,599)
Currency translation differences	1,806	(1,169)	(13)	2	626
At 31 March 2017	**158,267**	**172,163**	**764**	**3,701**	**334,895**
At 1 April 2015	115,714	138,336	393	–	254,443
Charged to profit or loss	16,768	11,691	118	–	28,577
Currency translation differences	(2,966)	(1,099)	(68)	–	(4,133)
At 31 March 2016	129,516	148,928	443	–	278,887

23. Deferred income taxes (continued)

	Group				
	Fair value changes – net $'000	Perpetual securities $'000	Provisions $'000	Tax losses $'000	Total $'000
Deferred income tax assets					
At 1 April 2016	(2,057)	(1,230)	(4,182)	(2,450)	(9,919)
Charged/(Credited) to:					
– Profit or loss	–	–	(11,985)	(13,251)	(25,236)
– Other comprehensive loss	957	–	–	–	957
– Equity	–	(6,185)	–	–	(6,185)
Reclassification	–	–	(20,831)	–	(20,831)
Disposal of subsidiaries	–	–	649	–	649
Acquisition of a subsidiary	–	–	(1,031)	–	(1,031)
Utilisation of tax benefits	–	6,472	–	1,109	7,581
Currency translation differences	–	–	16	(282)	(266)
At 31 March 2017	**(1,100)**	**(943)**	**(37,364)**	**(14,874)**	**(54,281)**
At 1 April 2015	(3,216)	(4,521)	(5,258)	–	(12,995)
Charged/(Credited) to:					
– Profit or loss	–	–	591	(4,007)	(3,416)
– Other comprehensive loss	1,159	–	–	–	1,159
– Equity	–	(5,228)	–	–	(5,228)
Utilisation of tax benefits	–	8,519	–	1,527	10,046
Currency translation differences	–	–	485	30	515
At 31 March 2016	(2,057)	(1,230)	(4,182)	(2,450)	(9,919)

	Company
	Accelerated tax depreciation $'000
Deferred income tax liabilities	
At 1 April 2016	1,907
Credited to profit or loss	(333)
At 31 March 2017	**1,574**
At 1 April 2015	1,826
Charged to profit or loss	81
At 31 March 2016	1,907

23. Deferred income taxes (continued)

	Company
	Provisions $'000
Deferred income tax assets	
At 1 April 2016	(702)
Credited to profit or loss	(23,047)
At 31 March 2017	**(23,749)**
At 1 April 2015	(745)
Charged to profit or loss	43
At 31 March 2016	(702)

24. Share capital

Issued and fully paid Ordinary Shares and Series A redeemable preference shares ("RPS")

	Issued share capital	
	No. of shares '000	Amount $'000
Balance at 1 April 2016 and 31 March 2017		
– Ordinary share capital, with no par value	1,524,307	1,524,307
– Series A redeemable preference shares, with no par value	16	1,570,000
	1,524,323	**3,094,307**

Issued and fully paid Series A redeemable preference shares ("RPS")

The Series A redeemable preference shares ("RPS") confer upon the holders the following rights:

(a) Dividends

The right to receive out of the distributable profits of the Company a non-cumulative preferential dividend at a rate of 1% per annum on the redemption amount (being the value of the Series A RPS). The preferential dividend shall:

(i) Be declared by the Directors at any time and from time to time and payable at such time as the Directors shall determine; and

(ii) Be paid in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company.

(b) Voting

The right to attend and vote at general meetings of the Company only upon the happening of any of the following events:

(i) During such year as the preferential dividend or any part thereof remains in arrears and unpaid for more than 12 months;

(ii) Upon any resolution which varies or abrogates the rights attached to the preference shares; and

(iii) Upon any resolution for the winding up of the Company.

In addition, written approval of 75% of the RPS holders has to be obtained prior to:

(i) Variation or abrogation of rights to RPS holders;

(ii) Altering RPS through e.g. repurchase, cancellation, reduction, subdivision, reclassification or consolidation;

24. Share capital (continued)

Issued and fully paid Series A redeemable preference shares ("RPS") (continued)

(b) Voting (continued)

(iii) Issue of equity or debt convertible into equity ranking pari passu or in priority to RPS; or

(iv) Declaration or payment of dividends or other distribution of profits or by issuance of ordinary shares through capitalisation of profits or reserves.

(c) Redemption

The Company has the rights to redeem all or any part of the RPS issued and fully paid at any time. Each RPS will be redeemed for the amount paid up thereon plus any arrears and accrual of dividends payable on the RPS to the redemption date.

Share-Based Compensation Plans of the Company

The Company currently operates the following share-based compensation plans: Mapletree PSU Plan, Mapletree RSU Plan and Mapletree NED RSU Plan (collectively referred to as the "Share-based Compensation Plans"). The Executive Resource and Compensation Committee ("ERCC") of the Company has been designated as the Committee responsible for the administration of the Share-based Compensation Plans.

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

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

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

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

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

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

The number of PSU outstanding under the Mapletree PSU Plan at the end of the financial year is summarised below:

	2017 **'000**	2016 '000
At 1 April	**14,001**	12,858
Initial award granted	**4,174**	4,215
Adjustment for performance targets	**(841)**	(383)
Forfeited/Cancelled	**(866)**	(947)
Released	**(1,495)**	(1,742)
At 31 March	**14,973**	14,001

The final number of units to be released will depend on the achievement of pre-determined targets over a five-year performance period. No units will be released if the threshold targets are not met at the end of the performance period. On the other hand, if superior targets are met, more units than the initial award could be released up to a maximum of 200% of the initial award.

The PSU released during the financial year of 1,494,771 (2016: 1,742,489) were cash-settled.

24. Share capital (continued)

Share-Based Compensation Plans of the Company (continued)

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

The number of PSU awarded and outstanding of 14,972,545 (2016: 14,001,010) are to be cash-settled. The final number of units to be released in respect of 14,972,545 (2016: 14,001,010) of outstanding PSU has not been determined.

The number of RSU outstanding under the Mapletree RSU Plan at the end of the financial year is summarised below:

	2017 '000	2016 '000
At 1 April	**5,555**	6,822
Initial award granted	**2,364**	2,646
Adjustment for performance targets	**470**	(89)
Forfeited/Cancelled	**(391)**	(373)
Released	**(2,927)**	(3,451)
At 31 March	**5,071**	5,555

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

The RSU released during the financial year of 2,927,344 (2016: 3,451,327) were cash-settled.

The number of RSU awarded and outstanding of 5,070,959 (2016: 5,554,763) are to be cash-settled. The final number of units to be released in respect of 2,340,790 (2016: 2,612,721) of outstanding RSU has not been determined.

PSU and RSU units that are expected to be cash-settled are measured at their current fair values at year end. The fair value is measured based on share price $3.72 (2016: $2.91) at year end.

(b) Mapletree NED Restricted Share Units Plan

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

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

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

The number of NED RSU outstanding under the Mapletree NED RSU Plan at the end of the financial year is summarised below:

	2017 '000	2016 '000
At 1 April	**164**	163
Granted	**47**	54
Exercised	**(26)**	(53)
At 31 March	**185**	164

The NED RSU exercised during the year of 26,359 (2016: 53,167) were cash-settled.

24. Share capital (continued)

Share-Based Compensation Plans of the Company (continued)

(b) Mapletree NED Restricted Share Units Plan (continued)

The number of units awarded, vested and outstanding of 185,146 (2016: 163,723) are to be cash-settled. The fair value of the cash-settled award of NED RSU at the reporting date is determined based on the net asset value (excluding perpetual securities) per share of the Group at year end, up to a maximum of 200% of the initial net asset value per share of the Group at the respective grant dates.

(c) Share-Based Compensation Plans of subsidiaries

During the financial year ended 31 March 2017, the respective Nomination and Remuneration Committee ("NRC") of the Group's wholly owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree Greater China Commercial Trust Management Ltd (each the "REIT management company") approved and adopted separate Performance Share Units Plan ("REIT PSU Plan") and Restricted Share Units Plan ("REIT RSU Plan"). This is in compliance with the MAS guideline on REIT compensation governance where the plans are linked to performance of the respective REIT. The REIT PSU Plan and REIT RSU Plan are available to eligible employees of the subsidiaries, and the plans can only be cash-settled.

The total REIT PSU Plan and REIT RSU Plan expense recognised to the profit or loss amounted to $468,000 (2016: nil).

25. Perpetual securities

The Group has issued the following perpetual securities:

(a) Mapletree Treasury Services Limited

Mapletree Treasury Services Limited ("MTSL"), a wholly-owned subsidiary, issued perpetual securities with an aggregate principal amount of $600 million ("2012 Issuance") in July 2012 and $625 million ("2017 Issuance") in January 2017. Total incremental cost incurred amounting to $14.0 million (2016: $8.5 million) was recognised in equity as a deduction from proceeds.

Such perpetual securities are guaranteed by the Company and bear distributions at a rate of 5.125% per annum for the 2012 Issuance and 4.5% per annum for the 2017 Issuance, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, MTSL may elect to defer making distribution on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

(b) Mapletree Logistics Trust

Mapletree Logistics Trust ("MLT"), a non-wholly owned subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $350 million ("MLT 2012 Issuance") in March 2012 and $250 million ("MLT 2016 Issuance") in May 2016. Total incremental cost incurred amounting to $8.6 million (2016: $6.7 million) was recognised in equity as a deduction from proceeds. These perpetual securities have no fixed redemption date and redemption is at the discretion of MLT.

Such perpetual securities bear distributions at a rate of 5.375% per annum for the MLT 2012 Issuance and 4.18% per annum for the MLT 2016 Issuance, payable semi-annually and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of MLT, these perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the unitholders of MLT, but junior to the claims of all other present and future creditors of MLT. MLT shall not declare distribution or pay any distributions to the unitholders, or make redemption, unless MLT declare or pay any distributions to the holders of the perpetual securities.

As the Group has no contractual obligations to repay the principal or to pay any distributions relating to the above perpetual securities under MTSL and MLT, the amounts have been presented within equity, and distributions are treated as dividends.

26. Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Unsecured bankers' guarantees given in respect of operations	**10,642**	6,354	**6,543**	4,840

27. Commitments

(a) Capital commitments

	Group	
	2017 **$'000**	2016 $'000
Development expenditure contracted for	**677,715**	948,221
Commitment in respect of equity participation in associated companies	**689,801**	790,472
Commitment in respect of equity participation in available-for-sale financial assets	**85**	83

(b) Operating lease commitments – where the Group is a lessor

The Group leases out property spaces under non-cancellable operating lease agreements. The leases have escalation clauses and renewal rights.

The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group	
	2017 **$'000**	2016 $'000
Not later than one year	**1,925,307**	1,595,646
Between one and five years	**3,617,211**	3,179,607
Later than five years	**1,690,742**	1,932,305
	7,233,260	6,707,558

Some of the operating leases are subject to revision based on market rates at periodic intervals. For the purposes of the above disclosure, the prevailing leases are used.

(c) Operating lease commitments – where the Group is a lessee

The Group leases land and office space under non-cancellable operating lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group	
	2017 **$'000**	2016 $'000
Not later than one year	**111,521**	9,974
Between one and five years	**70,894**	27,765
Later than five years	**49,599**	16,199
	232,014	53,938

Not included above are certain operating leases in Singapore, PRC and Malaysia with annual land rent that the Group is committed to pay to the respective country's land authorities. The operating leases are non-cancellable with remaining lease term of up to 89 years as at 31 March 2017 and are subjected to revision of land rent at periodic intervals. Based on the prevailing land rent rates, these operating leases paid/payable for the financial year approximates $15.1 million (2016: $13.3 million).

28. Financial risk management

The Group's activities expose it to a variety of financial risks. The Group uses different methods to measure and manage various types of risks to which it is exposed. These include monitoring levels of exposure to foreign exchange, price, interest rate, credit and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides general principles for overall risk management, covering areas such as foreign exchange risk, price, interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Audit and Risk Committee, assisted by the risk management department and/or internal auditors, also evaluates the effectiveness of the system associated with the financial risk management programmes.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to exchange rate risk on its foreign currency denominated assets and liabilities. This currency exposure is, where practicable and appropriate, managed through borrowing in the same currencies in which the assets and/or investments are denominated as well as currency forwards, currency call/put options, and cross currency swap contracts.

In relation to its investments in foreign subsidiaries, associated companies and joint ventures, whose net assets are exposed to currency translation risks and which are held for long term investment purpose, the differences arising from such translation are recognised in other comprehensive income as foreign currency translation reserves. These translation differences are reviewed and monitored on a regular basis and managed primarily through currency forwards, cross currency interest rate swaps or borrowings denominated in the relevant currencies.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group's currency exposure based on information provided to key management is as follows:

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
2017										
Financial assets										
Cash and cash equivalents	280,346	209,183	318,037	43,249	55,875	21,571	15,468	132,227	15,705	69,388
Trade and other receivables (including intercompany balances)	9,657,272	4,615,182	2,560,471	697,839	651,648	280,970	256,858	2,075,214	620,020	33,309
Deposits	1,997	107,095	8,661	924	25,303	831	105	154	–	3,543
	9,939,615	4,931,460	2,887,169	742,012	732,826	303,372	272,431	2,207,595	635,725	106,240
Financial liabilities										
Borrowings	(4,840,999)	(699,081)	(700,053)	(3,037,369)	(1,113,782)	(183,436)	(743,823)	(1,537,043)	(239,880)	–
Trade and other payables (including intercompany balances)	(10,110,939)	(4,577,388)	(2,781,830)	(853,873)	(534,606)	(257,192)	(256,266)	(2,088,476)	(620,375)	(70,562)
	(14,951,938)	(5,276,469)	(3,481,883)	(3,891,242)	(1,648,388)	(440,628)	(1,000,089)	(3,625,519)	(860,255)	(70,562)
Net financial (liabilities)/ assets	**(5,012,323)**	**(345,009)**	**(594,714)**	**(3,149,230)**	**(915,562)**	**(137,256)**	**(727,658)**	**(1,417,924)**	**(224,530)**	**35,678**

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'000
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	3,780,650	1,623,335	1,066,304	3,184,159	1,031,565	319,368	696,201	1,781,271	232,525	(35,460)
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	880,329	(1,917,141)	(485,847)	(18,978)	(123,943)	(166,998)	–	(344,171)	–	–
Loans designated for net investment hedge	292,158	179,262	28,070	–	–	–	–	–	–	–
Currency exposures on financial (liabilities)/ assets	**(59,186)**	**(459,553)**	**13,813**	**15,951**	**(7,940)**	**15,114**	**(31,457)**	**19,176**	**7,995**	**218**

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For the financial year ended 31 March 2017

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

	SGD $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000
2016									
Financial assets									
Cash and cash equivalents	314,009	69,802	395,982	36,146	57,960	17,668	14,788	57,715	12,797
Trade and other receivables (including intercompany balances)	7,868,718	2,559,127	2,119,236	669,305	855,604	212,246	238,394	2,923,496	558,682
Deposits	767	55	13,053	434	612	279	31	109,820	–
	8,183,494	2,628,984	2,528,271	705,885	914,176	230,193	253,213	3,091,031	571,479
Financial liabilities									
Borrowings	(3,978,867)	(1,244,585)	(735,899)	(2,779,312)	(1,508,228)	(185,233)	(855,337)	(1,638,682)	(242,629)
Trade and other payables (including intercompany balances)	(8,403,208)	(2,517,148)	(2,305,900)	(840,431)	(595,970)	(179,918)	(244,517)	(2,949,773)	(568,537)
	(12,382,075)	(3,761,733)	(3,041,799)	(3,619,743)	(2,104,198)	(365,151)	(1,099,854)	(4,588,455)	(811,166)
Net financial liabilities	**(4,198,581)**	**(1,132,749)**	**(513,528)**	**(2,913,858)**	**(1,190,022)**	**(134,958)**	**(846,641)**	**(1,497,424)**	**(239,687)**
Net financial liabilities denominated in the respective entities' functional currencies	3,073,253	1,162,400	646,698	2,913,061	1,223,252	251,459	519,043	1,684,281	239,339
Notional amount of currency forwards and cross currency swaps not designated as net investment hedge	845,829	(345,148)	(172,476)	(14,144)	(113,345)	(107,513)	–	(187,943)	–
Loans designated for net investment hedge	138,132	51,637	27,268	–	67,755	–	225,755	–	–
Currency exposures on financial (liabilities)/assets	(141,367)	(263,860)	(12,038)	(14,941)	(12,360)	8,988	(101,843)	(1,086)	(348)

As at 31 March 2017 and 2016, the Group's USD exposure arises mainly from group entities with VND functional currency.

The Company's financial assets and liabilities are mainly denominated in SGD.

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

If the Group's USD exposure change against VND by 5.0% (2016: 4.5%) with all other variables including tax rate being held constant, the effects arising from the Group's net currency exposure will be as follows:

	Increase/(decrease)	
	2017 Profit after tax $'000	**2016 Profit after tax $'000**
Group		
USD against VND		
– strengthened	**(15,204)**	(4,983)
– weakened	**15,204**	4,983

(ii) Price risk

The Group is exposed to equity securities price risk arising from the investments held which are classified as available-for-sale financial assets. These securities are listed in Singapore and Hong Kong SAR. The Group has policies in place to ensure that the performance of investments held are monitored with respect to the risk relevant to the market in which the investments operate in.

No sensitivity analysis was disclosed as the Group had assessed that a reasonable change in the market value of these investments would not result in any significant impact on the Group's results.

(iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk on its borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved either through fixed rate borrowings or through the use of floating-to-fixed interest rate swaps and/or interest rate caps.

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in JPY, USD, RMB, GBP, SGD, MYR and HKD (2016: JPY, USD and RMB and GBP). If the interest rates increase or decrease by 0.50% (2016: 0.50%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by $14 million (2016: $21 million) and higher by $14 million (2016: $21 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by $48 million (2016: $32 million) and lower by $49 million (2016: $33 million) mainly as a result of higher fair value of interest rate swaps designated as cash flow hedges of variable rate borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits, trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with acceptable credit quality counterparties.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are made to customers with an appropriate credit history. Security in the form of bankers guarantees, insurance bonds (issued by bankers or insurers of acceptable credit quality) or cash security deposits are obtained prior to the commencement of the lease.

28. Financial risk management (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2017 **$'000**	2016 $'000
Corporate guarantees provided to banks on subsidiaries' loans	**4,628,000**	5,632,276

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit-ratings assigned by international credit-rating agencies. Trade receivables, loan to a non-controlling interest of a subsidiary and loan to a non-related party that are neither past due nor impaired are substantially counterparties with a good collection track record with the Group.

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

There are no other classes of financial assets that are past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2017 **$'000**	2016 $'000
Past due less than 3 months	**44,358**	27,646
Past due over 3 months	**51,982**	31,100
	96,340	58,746

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2017 **$'000**	2016 $'000
Gross amount	**1,780**	294
Less: Allowance for impairment	**(1,060)**	(264)
	720	30
At 1 April	**264**	149
Acquisition	**710**	47
Allowance made	**369**	222
Allowance utilised	**(17)**	(141)
Allowance reversed	**(250)**	(9)
Translation	**(16)**	(4)
At 31 March	**1,060**	264

The Group and the Company believes that no additional allowance is necessary in respect of the remaining trade and other receivables as these receivables arise mainly from tenants with good collection records as well as sufficient security in the form of bankers guarantees, insurance bonds, or cash security deposits as collaterals.

28. Financial risk management (continued)

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and committed bank financing to fund its working capital, its financial obligations and expected committed capital expenditure requirements.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is insignificant.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Group			
2017			
Trade and other payables	967,422	286,473	31,281
Borrowings	1,430,464	10,208,864	2,346,340
	2,397,886	**10,495,337**	**2,377,621**
2016			
Trade and other payables	804,797	246,633	38,389
Borrowings	2,773,789	9,473,718	1,952,488
	3,578,586	9,720,351	1,990,877
Company			
2017			
Trade and other payables	**195,708**	**75,340**	**14,245**
2016			
Trade and other payables	70,163	50,850	8,502

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
Group			
2017			
Net-settled interest rate swaps and cross currency swaps			
– Net cash outflows	**11,032**	**4,069**	**(3,715)**
Gross-settled currency forwards and cross currency swaps			
– Receipts	**(4,104,483)**	**(887,583)**	**(120,188)**
– Payments	**4,133,750**	**916,592**	**112,872**
2016			
Net-settled interest rate cap, swaps and cross currency swaps			
– Net cash outflows	4,893	(4,065)	(6,947)
Gross-settled currency forwards and cross currency swaps			
– Receipts	(1,522,430)	(625,097)	(381,584)
– Payments	1,528,741	638,855	415,723

28. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is required by the banks to maintain a consolidated tangible net worth of not less than $1.0 billion (2016: $1.0 billion) and Group equity of not less than $3.0 billion (2016: $3.0 billion).

There were no changes in the Group's approach to capital management during the financial year.

(e) Categories of financial assets and financial liabilities

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2017 **$'000**	2016 $'000	**2017** **$'000**	2016 $'000
Financial assets				
At fair value through profit or loss	**110,559**	76,627	**–**	–
Available-for-sale	**142,965**	138,378	**–**	–
Loans and receivables (including cash and cash equivalents)	**1,873,470**	1,522,761	**5,594,162**	3,809,350
Financial liabilities				
At fair value through profit or loss	**146,978**	130,234	**–**	–
At amortised cost	**14,380,643**	14,309,151	**285,293**	129,515

29. Fair value measurements

(a) Fair value hierarchy

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2017				
Financial assets				
Derivative financial instruments	–	110,559	–	110,559
Available-for-sale financial assets				
– Quoted	73,401	–	–	73,401
– Unquoted	–	–	69,564	69,564
	73,401	**110,559**	**69,564**	**253,524**
Financial liabilities				
Derivative financial instruments	**–**	**(146,978)**	**–**	**(146,978)**
Non-financial assets				
Completed investment properties	–	–	30,386,799	30,386,799
Investment properties under redevelopment	–	–	299,635	299,635
Properties under development	–	–	1,662,550	1,662,550
Property, plant and equipment	–	–	142,321	142,321
	–	**–**	**32,491,305**	**32,491,305**
2016				
Financial assets				
Derivative financial instruments	–	76,627	–	76,627
Available-for-sale financial assets				
– Quoted	68,814	–	–	68,814
– Unquoted	–	–	69,564	69,564
	68,814	76,627	69,564	215,005
Financial liabilities				
Derivative financial instruments	–	(130,234)	–	(130,234)
Non-financial assets				
Completed investment properties	–	–	27,567,136	27,567,136
Investment properties under redevelopment	–	–	996,477	996,477
Properties under development	–	–	1,647,231	1,647,231
	–	–	30,210,844	30,210,844

29. Fair value measurements (continued)

(b) Valuation techniques

(i) Financial assets and liabilities at fair value

The fair value of available-for-sale financial assets traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for the quoted available-for-sale financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of interest rate swaps and interest rate caps are calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the reporting date. These investments are classified as Level 2 and comprise derivative financial instruments.

The fair value of unquoted available-for-sale financial assets are classified as Level 3 and are determined using the net asset values of the investee companies.

(ii) Non-financial assets at fair value

Level 3 fair values of the Group's investment properties and leasehold land and building classified under property, plant and equipment have been generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising net leasing income after property tax at a rate which reflects the present and potential income growth and over the unexpired lease term.

- Discounted cash flow – Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct comparison – Properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with adjustments made for differences in location, tenure, size, shape, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions.

- Residual value – Investment properties under redevelopment or development are valued, as a starting point using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed at reporting date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under redevelopment and development.

  Fair values of investment properties are determined by external independent valuers. The valuation of significant properties are presented to and discussed with the Audit and Risk Committee as well as the Board of Directors.

(iii) Financial assets and liabilities not carried at fair values

The carrying value of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes of $2.5 billion (2016: $1.9 billion) whose fair value amounted to $2.5 billion (2016: $1.9 billion), determined using indicative interest rate of the notes quoted by the Group's bankers.

29. Fair value measurements (continued)

(c) Level 3 assets measured at fair value

The movements of non-financial assets classified under Level 3, for completed investment properties and investment properties under redevelopment are presented in Note 16, for properties under development in Note 17 and for leasehold land and building under property, plant and equipment in Note 18.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the non-financial assets classified under Level 3 of the fair value hierarchy:

	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties			
	Income capitalisation	Capitalisation rate • Singapore: 3.9% to 9.5% (2016: 3.9% to 9.5%) • Others: 3.9% to 12.5% (2016: 4.0% to 13.0%)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Singapore: 7.0% to 12.0% (2016: 7.0% to 12.0%) • Others: 4.5% to 14.0% (2016: 4.6% to 15.0%)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Singapore: 4.6% to 6.5% (2016: 4.6% to 6.3%) • Others: 4.4% to 17.0% (2016: 2.4% to 17.5%)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Singapore: $590 to $1,725 psm (2016: Nil) • Others: $347 to $11,893 psm (2016: $273 to $4,560 psm)	The higher the adjusted price rate, the higher the fair value.
Investment properties under redevelopment or development			
	Residual value	Gross development valuation • Singapore: $2,003 to $15,647 psm (2016: $2,255 to $15,743 psm)	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: $1,304 to $6,081 psm (2016: $1,601 to $6,081 psm)	The higher the development cost, the lower the fair value.

29. Fair value measurements (continued)

(c) Level 3 assets measured at fair value (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the non-financial assets classified under Level 3 of the fair value hierarchy:

	Valuation techniques	Key unobservable inputs	Relationship of unobservable inputs to fair value
Properties under development			
	Income capitalisation	Capitalisation rate • Singapore: 6.5% (2016: Nil)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Singapore: 8.0% (2016: 8.0%)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Singapore: 6.8% (2016: 6.5%)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Others: $49 to 643 psm (2016: $48 to $493 psm)	The higher the adjusted price rate, the higher the fair value.
	Residual value	Gross development valuation • Singapore: Nil (2016: $7,111 psm) • Others: $549 to $22,776 psm (2016: $1,125 to $21,888 psm)	The higher the gross development valuation, the higher the fair value.
		Development cost • Singapore: Nil (2016: $2,037 psm) • Others: $331 to $5,907 psm (2016: $597 to $5,309 psm)	The higher the development cost, the lower the fair value.
Leasehold land and building classified under property, plant and equipment			
	Income capitalisation	Capitalisation rate • Others: 10.0% (2016: Nil)	The higher the capitalisation rate, the lower the fair value.
	Discounted cash flow	Discount rate • Others: 13.0% (2016: Nil)	The higher the discount rate, the lower the fair value.
		Terminal Yield • Others: 10.5% (2016: Nil)	The higher the terminal yield, the lower the fair value.
	Direct comparison	Adjusted price • Others: $436,800 per room (2016: Nil)	The higher the adjusted price rate, the higher the fair value.

30. Immediate and ultimate holding companies

The Company's immediate holding company is Fullerton Management Pte Ltd, incorporated in Singapore. The ultimate holding company is Temasek Holdings (Private) Limited, incorporated in Singapore.

31. Related party transactions

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

(a) Sales and purchases of goods and services

	Group		Company	
	2017 $'000	2016 $'000	**2017 $'000**	2016 $'000
Leasing and other services to related corporations	**39,587**	38,520	**–**	–
Fees from provision of management services to subsidiaries	**–**	–	**119,035**	123,316
Purchase of goods/services from related corporations	**25,780**	20,184	**–**	–
Fees from provision of fund management services to associated companies	**40,536**	53,254	**–**	–
Dividend income from an associated company	**15,308**	3,944		
Acquisition of properties from associated company	**–**	113,321	**–**	–
Dividend income received from subsidiaries	**–**	–	**1,659,190**	480,299
Interest income received from subsidiaries	**–**	–	**16,243**	5,621
Interest expense paid to related corporations	**55,499**	46,666	**–**	–
Trustee's fees paid/payable to the Trustee	**1,918**	1,753	**–**	–

(b) Key management personnel compensation

	Group	
	2017 $'000	2016 $'000
Salaries and other short-term employee benefits	**22,093**	15,231
Post-employment benefits – contribution to CPF	**228**	176
Share-based compensation expenses (Note 24)	**11,513**	7,114
	33,834	22,521

(c) PSU and RSU granted to key management

During the financial year, the Group granted 4,324,704 PSU and 1,860,174 RSU (2016: 3,418,633 PSU and 1,254,737 RSU) to the key management of the Group under the share-based plans as set out in Note 24. The PSU and RSU were given on the same terms and conditions as those offered to other employees of the Group. The outstanding number of PSU and RSU as at 31 March 2017 granted by the Group to the key management of the Group was 13,180,790 and 3,209,305 (2016: 10,925,174 and 2,447,758) respectively.

32. Dividends

	Group and Company	
	2017 $'000	2016 $'000
Final exempt (one-tier) redeemable preference share dividends paid in respect of the previous financial year of $1,000 (2016: $1,000) per redeemable preference share	**15,700**	15,700
Final exempt (one-tier) ordinary share dividend of paid in respect of the previous financial year of 9.7684 cents (2016: 7.5509 cents) per ordinary share	**148,900**	115,100
	164,600	130,800

At the Annual General Meeting to be held, the following dividends will be proposed:

– Final exempt (one-tier) redeemable preference share dividend of $1,000 (2016: $1,000) per redeemable preference share amounting to $15.7 million (2016: $15.7 million); and
– Final exempt (one-tier) ordinary share dividend of 12.7993 cents (2016: 9.7684 cents) per ordinary share amounting to $195.1 million (2016: $148.9 million).

These financial statements do not reflect the above dividends, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 March 2018.

33. Operational profit after tax and minority interests

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

	Group	
	2017 $'000	2016 $'000
Profit Attributable to Equity Holder of the Company	**1,349,590**	915,656
Profit Attributable to Perpetual Securities Holders		
– Mapletree Treasury Services Pte. Ltd.	**36,382**	30,750
– Mapletree Logistics Trust	**27,717**	18,813
	1,413,689	965,219
After adjusting for:		
Revaluation gain on investment properties and properties under development (net of deferred tax)#	**(667,559)**	(404,483)
Share of associated companies and joint ventures:		
Net gain on revaluation of investment properties and properties under development	**(34,419)**	(48,015)
Net foreign exchange and financial derivatives loss	**3,050**	3,133
	(31,369)	(44,882)
Net foreign exchange and financial derivatives loss/(gain)#	**19,342**	(4,754)
Adjustments on:		
Share of associated company disposal gain/(loss) at OIC*	**5,425**	(18,775)
Corporate restructuring surplus at OIC*	**628,892**	1,028
Divestment gain at OIC*	**8,095**	90,531
Operational PATMI	**1,376,515**	583,884

\# Net of non-controlling interests.
* Represents cumulative revaluation gains realised.

34. Segment reporting

The operating segments are determined based on the segment reports reviewed by the Executive Management Committee ("EMC") for strategic and operational decisions making purposes. The EMC comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Chief Financial Officer, Head, Group Corporate Services and Group General Counsel, Head, Group Development Management and the Heads of each business unit.

The EMC considers the business from both a geographic and business segment perspective.

The following summary describes the operations from business segment perspective:

- **Singapore Commercial:**

  Developer/Owner/Manager of properties located in Singapore, which comprise mainly offices, retail properties, residential properties and certain industrial and business park properties which are not under Logistics and Singapore Industrial business units.

- **Logistics:**

  Developer/Owner/Manager of logistics properties in Asia and Australia.

- **Singapore Industrial:**

  Developer/Owner/Manager of industrial properties in Singapore.

- **China and India:**

  Developer/Owner/Manager of properties in PRC and India, excluding:
  – Logistics properties; and
  – Properties held by MGCCT

- **South East Asia:**

  Developer/Owner/Manager of properties, excluding logistics properties in Southeast Asia.

- **North Asia & New Markets:**

  Developer/Owner/Manager of properties in markets other than those listed above.

- **Others:**

  Corporate departments.

Notes to the Financial Statements

For the financial year ended 31 March 2017

34. Segment reporting (continued)

The segment information provided to the EMC for the reportable segments are as follows:

	Singapore Commercial $'000	Logistics $'000	Singapore Industrial $'000	China & India $'000	South East Asia $'000	North Asia & New Markets $'000	Others $'000	Total $'000
2017								
Revenue	600,042	453,318	340,559	63,069	102,378	764,425	5,044	2,328,835
Segmental Results								
Earnings/(Loss) before revaluation gain/(loss), interest and tax	474,255	443,994	257,483	41,093	42,221	551,321	(211,120)	1,599,247
Revaluation gain on investment properties and properties under development	369,106	151,360	73,273	7,817	44,772	317,824	32,666	996,818
Share of (loss)/profit in associated companies and joint ventures	–	(8,065)	–	51,156	6,333	52,947	–	102,371
	843,361	**587,289**	**330,756**	**100,066**	**93,326**	**922,092**	**(178,454)**	**2,698,436**
Finance cost – net								(331,681)
Tax expense								(198,743)
Profit for the year								**2,168,012**
Segment assets	**9,707,117**	**7,996,946**	**3,822,641**	**749,831**	**1,319,460**	**12,227,816**	**435,371**	**36,259,182**
Segment liabilities	**2,818,624**	**3,670,937**	**747,492**	**28,369**	**88,180**	**6,295,269**	**1,386,492**	**15,035,363**
Other segment items:								
Depreciation and amortisation	**(325)**	**(202)**	**(18)**	**(32)**	**(4,791)**	**(1,356)**	**(4,983)**	**(11,707)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
2017										
Geography information										
Revenue	**1,090,430**	**130,896**	**207,113**	**330,094**	**123,364**	**188,363**	**149,759**	**76,586**	**32,230**	**2,328,835**
Non-current assets	**15,217,018**	**1,753,026**	**3,606,870**	**7,526,523**	**1,466,712**	**1,953,732**	**1,172,002**	**1,145,583**	**401,053**	**34,242,519**
Total assets	**15,762,802**	**1,951,579**	**4,102,542**	**7,600,489**	**1,730,085**	**2,160,217**	**1,364,960**	**1,167,060**	**419,448**	**36,259,182**

34. Segment reporting (continued)

	Singapore Commercial $'000	Logistics $'000	Singapore Industrial $'000	China & India $'000	South East Asia $'000	North Asia & New Markets $'000	Others $'000	Total $'000
2016								
Revenue	559,013	396,533	331,600	56,378	59,983	470,915	4,442	1,878,864
Segmental Results								
Earnings/(Loss) before revaluation gain/(loss), interest and tax	433,154	284,357	244,387	23,889	26,049	430,214	(94,470)	1,347,580
Revaluation gain on investment properties and properties under development	230,667	86,624	81,964	6,903	18,713	279,161	31,696	735,728
Share of profit/(loss) in associated companies and joint ventures	4,862	(2,264)	–	59,352	(11,090)	7,492	–	58,352
	668,683	**368,717**	**326,351**	**90,144**	**33,672**	**716,867**	**(62,774)**	**2,141,660**
Finance cost – net								(246,154)
Tax expense								(154,369)
Profit for the year								**1,741,137**
Segment assets	**9,159,364**	**7,471,640**	**3,656,819**	**843,718**	**777,990**	**10,834,801**	**213,665**	**32,957,997**
Segment liabilities	**2,068,139**	**3,848,266**	**1,162,117**	**136,407**	**148,885**	**6,703,642**	**830,800**	**14,898,256**
Other segment items:								
Depreciation and amortisation	**(393)**	**(146)**	**(25)**	**(34)**	**(214)**	**(571)**	**(4,900)**	**(6,283)**

	Singapore $'000	South East Asia (excluding Singapore) $'000	PRC (excluding Hong Kong SAR) $'000	Hong Kong SAR $'000	Japan $'000	Europe $'000	United States of America $'000	Australia $'000	Rest of the World $'000	Total $'000
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2016 Geography information										
Revenue	1,057,817	74,393	188,298	290,160	114,982	41,661	38,856	39,198	33,499	1,878,864
Non-current assets	14,470,598	1,129,031	3,284,008	6,886,467	1,687,634	1,972,516	720,355	837,289	362,188	31,350,086
Total assets	14,924,724	1,248,567	3,761,887	6,933,111	1,913,803	2,168,670	769,804	853,662	383,769	32,957,997

Sales between segments are carried out at market terms. The revenue from external parties reported to the EMC is measured in a manner consistent with that in the statements of comprehensive income.

The EMC assesses the performance of the operating segment based on a measure of earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA"). The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by Group Treasury which manages the cash position of the Group.

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35. Listing of significant entities in the Group

(a) Subsidiaries

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by the Company				
Bougainvillea Realty Pte Ltd	Property owner	Singapore	**100**	100
Heliconia Realty Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Capital Management Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Logistics Properties Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Treasury Services Limited	Finance and Treasury centre performing financial and treasury operations and activities for the holding and related companies within the Group	Singapore	**100**	100
Meranti Investments Pte Ltd	Investment holding	Singapore	**100**	100
Mulberry Pte Ltd	Investment holding	Singapore	**100**	100
Mangrove Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Dextra Pte Ltd	Investment holding	Singapore	**100**	100
Sienna Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Developments Pte Ltd	Investment holding	Singapore	**100**	100
Phoenix Chaoyang Pte Ltd	Investment holding	Singapore	**100**	100
The HarbourFront Pte Ltd	Investment holding and property owner	Singapore	**100**	100
Shanghai Mapletree Management Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Management Consultancy Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Property Services Pte Ltd	Investment holding	Singapore	**100**	100
Kent Assets Pte Ltd	Investment holding	Singapore	**100**	100
Suffolk Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree PE Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree SR Holdings Pte Ltd	Investment holding	Singapore	**100**	100
Moonstone Assets Pte Ltd	Investment holding	Singapore	**100**	100
Mapletree Trustee Pte Ltd	Investment holding	Singapore	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Mapletree Treasury Services Limited				
Mapletree Treasury Services (HKSAR) Limited	Provision of financial and treasury operations activities for the holding company and related companies within the Group	Hong Kong SAR	**100**	100
Directly held by Mapletree Capital Management Pte Ltd				
Mapletree Logistics Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Industrial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Greater China Commercial Trust Management Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Real Estate Advisors Pte Ltd	Fund management and advisory services	Singapore	**100**	100
Mapletree Asset Management Pty Ltd	Fund management and advisory services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte Ltd				
Beijing Mapletree Huaxin Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Foshan Mapletree Management Consultancy Co Ltd	Fund management and advisory services	PRC	**100**	100
Mapletree Vietnam Management Consultancy Co Ltd	Fund management and advisory services	Vietnam	**100**	100
Mapletree Hong Kong Management Limited	Fund management and advisory services	Hong Kong SAR	**100**	100
Mapletree Malaysia Management Sdn Bhd	Fund management and advisory services	Malaysia	**100**	100
Mapletree Investments Japan Kabushiki Kaisha[1]	Fund management and advisory services	Japan	**100**	100
Mapletree Korea Management Co Ltd[1]	Management services	South Korea	**100**	100
Mapletree UK Management Limited	Fund management and advisory services	United Kingdom	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Mapletree Property Services Pte Ltd				
Mapletree Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Facilities Services Pte Ltd	Commercial and industrial real estate management	Singapore	**100**	100
Mapletree Commercial Property Management Pte Ltd	Commercial and real estate management	Singapore	**100**	100
Mapletree Greater China Property Management Limited	Management services	Hong Kong SAR	**100**	100
Mapletree Regional Services Pte Ltd	Management services	Singapore	**100**	100
Mapletree Project Management Pte Ltd	Management services	Singapore	**100**	100
Mapletree Management Services Japan Kabushiki Kaisha[1]	Management services	Japan	**100**	100
Directly held by Mapletree SR Holdings Pte Ltd				
Mapletree SR Australia Management Pty Ltd	Management services	Australia	**100**	100
Directly held by Mapletree Management Consultancy Pte. Ltd. and Mapletree Property Services Pte Ltd				
Mapletree India Management Services Private Limited	Fund management and advisory services	India	**100**	100
Directly held by Heliconia Realty Pte Ltd				
Mapletree Business City Pte Ltd	Property owner and development of properties for investment	Singapore	**100**	100
Indirectly held by Mapletree Developments Pte Ltd				
Marina Trust	Property owner and development of properties for investment	Singapore	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by The HarbourFront Pte Ltd				
HarbourFront Two Pte Ltd	Property owner	Singapore	**100**	100
HarbourFront Centre Pte Ltd	Property owner	Singapore	**100**	100
Directly held by Mapletree Dextra Pte Ltd				
Winning Paramount Sdn Bhd	Development of properties for investment	Malaysia	**100**	100
Indirectly held by Mapletree Dextra Pte Ltd				
Godo Kaisha Odawara I[2]	Property owner	Japan	**–**	100
Godo Kaisha Odawara II[2]	Property owner	Japan	**–**	100
Godo Kaisha Apricot	Property owner	Japan	**91**	91
Mapletree TY (HKSAR) Limited	Property investment	Hong Kong SAR	**100**	100
Ever-Fortune Trading Center Joint Stock Company	Property owner	Vietnam	**100**	100
Mapletree Business City (Vietnam) Co Ltd	Property owner	Vietnam	**100**	100
Saigon Boulevard Complex Company Limited[3]	Property owner	Vietnam	**100**	–
Sunstone KB (HKSAR) Limited	Development of properties for investment	Hong Kong SAR	**100**	100
Arca Technology (Beijing) Co Ltd	Property owner	PRC	**100**	100

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Indirectly held by Mapletree SR Holdings Pte Ltd				
Labrador Cascades LLC	Property owner	United States of America	**100**	100
Boulevard City LLC	Property owner	United States of America	**100**	100
Oakwood Global Housing Solutions Canada Inc[3]	Management services	United States of America	**100**	–
Oakwood/ R&B Holdings Pte Ltd[4]	Management services	United States of America	**100**	49
Worldwide Corporate Housing LP[3]	Management services	United States of America	**100**	–
Pine (UK) Holdings Ltd[3]	Management services	United Kingdom	**100**	–
Indirectly held by Moonstone Assets Pte Ltd				
Montague QL Trust	Property owner	Australia	**100**	100
Grafton ROA Trust	Property owner	Australia	**100**	100
Aberdeen IQ Unit Trust	Property owner	United Kingdom	**100**	100
Hardman Investments Unit Trust	Property owner	United Kingdom	**100**	100
Glass Wharf Jr Limited	Property owner	United Kingdom	**100**	100
West Munich Assets Sarl	Property owner	Luxembourg/Germany	**100**	100
Rhein Assets Sarl	Property owner	Luxembourg/Germany	**100**	100
Derry Park Assets (UK) Limited	Property owner	United Kingdom	**100**	100
Green Park Reading No.1 LLP	Property owner	United Kingdom	**100**	–

35. Listing of significant entities in the Group (continued)

(a) Subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly held by Meranti Investments Pte Ltd, Mangrove Pte Ltd, Mulberry Pte Ltd, Mapletree Logistics Properties Pte Ltd and Mapletree Logistics Trust Management Ltd				
Mapletree Logistics Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**39**	40
Directly held by Sienna Pte Ltd, The HarbourFront Pte Ltd, HarbourFront Place Pte Ltd, HarbourFront Eight Pte Ltd and Mapletree Commercial Trust Management Ltd				
Mapletree Commercial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**34**	38
Directly held by Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, Mapletree Greater China Commercial Trust Management Ltd and Mapletree Greater China Property Management Limited				
Mapletree Greater China Commercial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**35**	34
Directly held by Mapletree Dextra Pte. Ltd. and Mapletree Industrial Management Ltd				
Mapletree Industrial Trust[5] – Real Estate Investment Trust	Property owner	Singapore	**34**	34

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35. Listing of significant entities in the Group (continued)

(b) Associated companies / Joint venture

Name of companies	Principal activities	Country of incorporation/ Place of business	Effective interest held by the Group 2017 %	2016 %
Directly or indirectly held by Mapletree PE Pte Ltd				
Mapletree China Opportunity Fund II Feeder LP	Investment holding and property owner	Cayman Islands/PRC	**36**	36
NH Assets Pte Ltd	Investment holding and property owner	Singapore/PRC	**24**	24
MJLD Pte Ltd	Investment holding and property owner	Singapore/Japan	**38**	38
MJOF Pte Ltd	Investment holding and property owner	Singapore/Japan	**36**	36
Indirectly held by Mapletree Dextra Pte Ltd				
Mapletree India China Fund Ltd	Investment holding and property owner	Cayman Islands/ PRC	**43**	43
Vietsin Commercial Complex Development Joint Stock Company[6]	Property owner	Vietnam	**62**	62
Indirectly held by Moonstone Assets Pte Ltd				
MGSA P-Trust[7]	Investment holding and property owner	Singapore/United States of America/ United Kingdom	**33**	100

1 Not required to be audited under the legislations in the country of incorporation.
2 Divested to MJLD during the year (Note 37(d)).
3 Incorporated/Acquired during the year.
4 Increase of the Group's interest in Oakwood/ R&B Holdings Pte Ltd through the acquisition of Oakwood Worldwide (Note 37(a)).
5 Control of the REITs without majority equity interest and voting power (Note 15).
6 Joint control of VCCD (Note 14).
7 Formerly known as Mapletree Avon Trust.

36. Summarised financial information on subsidiaries with material non-controlling interests

The Group's subsidiaries with material non-controlling interests comprise the following:

	Group	
	2017 $'000	**2016 $'000**
MCT	**2,623,414**	1,703,162
MGCCT	**2,358,828**	2,242,385
MIT	**1,665,195**	1,622,117
MLT	**1,567,675**	1,528,430
Others	**6,802**	81,229
	8,221,914	7,177,323

The REITs are regulated by the Monetary Authority of Singapore and are supervised by the Singapore Exchange Securities Trading Limited for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with the REITs are either subjected to review by the trustee of the REITs or significant transaction must be approved by a majority of votes by the remaining unitholders in the REITs at a meeting of unitholders. Under the respective trust deeds, neither the Group nor any other unitholders have the right to transfer assets (or part therefore) of the REITs to other entities within or outside of the Group.

Set out below are the summarised financial information of the REITs. These are presented before inter-company eliminations.

Summarised statements of financial position

	MLT $'000	**MCT $'000**	**MIT $'000**	**MGCCT $'000**
2017				
Assets				
– Current assets	129,351	57,298	49,408	292,551
– Non-current assets	5,557,354	6,348,355	3,748,653	6,236,369
Liabilities				
– Current liabilities	(402,332)	(71,846)	(223,731)	(356,059)
– Non-current liabilities	(2,094,696)	(2,376,354)	(1,041,541)	(2,536,541)
Net assets	**3,189,677**	**3,957,453**	**2,532,789**	**3,636,320**
Net assets attributable to non-controlling interests	**1,567,675**	**2,623,414**	**1,665,195**	**2,358,828**
2016				
Assets				
– Current assets	123,037	69,705	65,750	221,746
– Non-current assets	5,084,325	4,345,474	3,558,191	5,931,758
Liabilities				
– Current liabilities	(394,324)	(411,707)	(127,054)	(647,398)
– Non-current liabilities	(1,934,578)	(1,239,496)	(1,031,663)	(2,089,919)
Net assets	2,878,460	2,763,976	2,465,224	3,416,187
Net assets attributable to non-controlling interests	1,528,430	1,703,162	1,622,117	2,242,385

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For the financial year ended 31 March 2017

36. Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statements of comprehensive income

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
2017				
Revenue	373,138	377,747	340,565	350,629
Profit before income tax	**252,847**	**345,840**	**270,571**	**412,579**
Income tax expense	(40,166)	–	–	(40,080)
Profit after income tax	**212,681**	**345,840**	**270,571**	**372,499**
Other comprehensive income/(loss)	49,246	(812)	(1,127)	14,687
Total comprehensive income	**261,927**	**345,028**	**269,444**	**387,186**
Total comprehensive income allocated to non-controlling interests	**141,430**	**225,751**	**177,223**	**250,987**
Dividends paid to non-controlling interests	**(111,478)**	**(131,278)**	**(134,145)**	**(133,593)**
2016				
Revenue	349,905	287,761	331,598	336,638
Profit before income tax	235,353	298,710	272,580	465,944
Income tax expense	(25,799)	–	–	(37,843)
Profit after income tax	209,554	298,710	272,580	428,101
Other comprehensive loss	(31,694)	(4,614)	(7,023)	(119,431)
Total comprehensive income	177,860	294,096	265,557	308,670
Total comprehensive income allocated to non-controlling interests	95,546	181,136	176,115	203,132
Dividends paid to non-controlling interests	(110,443)	(105,703)	(129,517)	(124,830)

36. Summarised financial information on subsidiaries with material non-controlling interests (continued)

Summarised statement of cash flows

	MLT $'000	MCT $'000	MIT $'000	MGCCT $'000
2017				
Cash generated from operations	279,129	292,682	234,046	241,681
Income tax paid	(12,233)	(5,111)	–	(14,898)
Net cash generated from operating activities	**266,896**	**287,571**	**234,046**	**226,783**
Net cash (used in)/generated from investing activities	**(359,306)**	**(1,852,750)**	**(103,856)**	**2,251**
Net cash generated from/(used in) financing activities	**91,370**	**1,555,497**	**(146,545)**	**(198,933)**
Net (decrease)/increase in cash and cash equivalents	**(1,040)**	**(9,682)**	**(16,355)**	**30,101**
Cash and cash equivalents at beginning of financial year	93,316	63,589	54,340	206,107
Effect of currency translation on cash and cash equivalents	282	–	–	(1,351)
Cash and cash equivalents at end of financial year	**92,558**	**53,907**	**37,985**	**234,857**
2016				
Cash generated from operations	242,522	212,725	219,500	286,175
Income tax (paid)/refund	(11,502)	–	166	(21,252)
Net cash generated from operating activities	231,020	212,725	219,666	264,923
Net cash used in investing activities	(388,744)	(6,911)	(43,532)	(290,219)
Net cash generated from/(used in) financing activities	145,760	(197,093)	(193,755)	108,120
Net (decrease)/increase in cash and cash equivalents	(11,964)	8,721	(17,621)	82,824
Cash and cash equivalents at beginning of financial year	106,860	54,868	71,961	125,110
Effect of currency translation on cash and cash equivalents	(1,580)	–	–	(1,827)
Cash and cash equivalents at end of financial year	93,316	63,589	54,340	206,107

37. Acquisition and disposal of subsidiaries

(a) Acquisition of subsidiaries which constitute a business combination

Acquisition of Kumho Asiana Plaza Saigon Co. Ltd.

In June 2016, the Group completed the acquisition of 100% equity interest in Kumho Asiana Plaza Saigon Co. Ltd. ("KAP") from Kumho Industrial Company Limited and Asiana Airlines Limited as part of the overall strategy to invest in income-yielding assets. KAP is located in District 1 of Ho Chi Minh City, Vietnam, and is a prime mixed-use asset comprising 21-storey Grade A office building, 32-storey serviced apartment tower, 21-storey hotel, and a retail podium with food and beverage offerings.

Purchase consideration

The purchase consideration is US$219.4 million (approximately $296.1 million), and was arrived at after taking into account the fair value of the asset on acquisition date.

Acquisition-related costs

Acquisition-related costs of $8.5 million have been recognised in "Professional fees" in the Group's statement of profit or loss for the financial year ended 31 March 2017.

37. Acquisition and disposal of subsidiaries (continued)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

Acquisition of Kumho Asiana Plaza Saigon Co. Ltd. (continued)

Identifiable assets acquired and liabilities assumed, at fair value

	2017 $'000
Cash and cash equivalents	25,866
Trade and other receivables	2,122
Other assets	1,064
Deferred income taxes (Note 23)	1,031
Investment properties (Note 16)	310,528
Property, plant and equipment (Note 18)	137,455
Inventory	235
Total assets	478,301
Trade and other payables	24,660
Borrowings	131,687
Total liabilities	156,347
Total identifiable net assets acquired	321,954
Total consideration	321,954
Cash of subsidiary acquired	(25,866)
Cash outflow on acquisition	**296,088**

Revenue and profit contribution

From the acquisition date, KAP has contributed revenue of $64.0 million and profit for the financial period of $78.0 million to the Group. Had KAP been consolidated from 1 April 2016, the impact to the Group's revenue and profit for the financial year ended 31 March 2017 would have been $78.0 million and $75.0 million respectively.

Acquisition of Oakwood Worldwide

In February 2017, the Group acquired 100% shareholding interest in Oakwood Worldwide ("Oakwood"), a premier global provider of corporate housing and serviced apartment solutions, as part of its long-term strategy to strengthen its corporate housing and serviced apartment business. This acquisition is pursuant to the exercise of the option granted to the Group under the Call Option and Purchase Agreement for the acquisition of the 49% interest in Oakwood R&B (Holdings) Ltd ("ORBH") dated 10 April 2014.

Purchase consideration

The purchase consideration is US$124.0 million (approximately $172.0 million), and was arrived at after taking into account the net tangible asset value as at 16 February 2017 of US$52.1 million (approximately $72.3 million), and fair value of comparable businesses.

Acquisition-related costs

Acquisition-related costs of $5.1 million have been recognised in "Professional fees" in the Group's statement of profit or loss for the financial year ended 31 March 2017.

37. Acquisition and disposal of subsidiaries (continued)

(a) Acquisition of subsidiaries which constitute a business combination (continued)

Acquisition of Oakwood Worldwide (continued)

Goodwill arising from acquisition

The Group has engaged an independent firm to perform purchase price allocation ("PPA") exercise for Oakwood which is currently in progress. Pending the finalisation of the PPA report, the purchase consideration has been provisionally allocated as shown below. The residual excess of consideration paid over the fair values of identifiable assets and liabilities have been recorded as provisional goodwill amounting to US$24.6 million (approximately $34.3 million).

Identifiable assets acquired and liabilities assumed, at fair value

	2017 $'000
Cash and cash equivalents	**12,956**
Trade and other receivables	**48,969**
Other assets	**18,877**
Property, plant and equipment (Note 18)	**14,834**
Trade names (Note 19(b))	**73,753**
Customer-related intangibles (Note 19(c))	**18,715**
Inventory	**15,589**
Total assets	**203,693**
Trade and other payables	**33,766**
Deferred income taxes (Note 23)	**1,909**
Finance lease liabilities	**5,191**
Total liabilities	**40,866**
Total identifiable net assets purchased	**162,827**
Goodwill (Note 19(d))	**34,341**
49% interest in ORBH	**(25,181)**
Total consideration	**171,987**
Cash of subsidiaries acquired	**(12,956)**
Cash outflow on acquisition	**159,031**

Revenue and profit contribution

From the acquisition date, Oakwood has contributed revenue of $57.4 million and loss for the financial period of $5.2 million to the Group. Had Oakwood been consolidated from 1 April 2016, the impact to the Group's revenue and profit for the year ended 31 March 2017 would have been $922.7 million and $2.6 million respectively.

37. Acquisition and disposal of subsidiaries (continued)

(b) Acquisition of subsidiaries which does not constitute a business combination

The list of acquisition of subsidiaries which does not constitute a business combination is as follows:

Financial year ended 31 March 2017

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Green Park One Investment Limited	Jersey	May 2016	100%
Green Park Two Investment Limited	Jersey	May 2016	100%
Green Park Reading No. 1 LLP	UK	May 2016	100%
Greenpark (Reading) Limited	UK	May 2016	88.2%

Financial year ended 31 March 2016

Name of subsidiaries	Country of incorporation	Date acquired	Effective interest acquired
Derry Park Assets (UK) Limited	UK	May 2015	100%
Jaya Section Fourteen Sdn Bhd#	Malaysia	July 2015	75%
Aberdeen IQ Unit Trust	UK	October 2015	100%
Hardman Investments Unit Trust	UK	October 2015	100%
Glass Wharf JV Limited	UK	October 2015	100%
Shanghai Fullshine Industrial Development Co Ltd#	PRC	November 2015	60%
Rhein Assets Sarl	Germany	January 2016	100%
West Munich Sarl	Germany	January 2016	100%
Camden London Limited	UK	March 2016	100%

Previously associated companies of the Group.

The cash flows and net assets of subsidiaries acquired are provided below:

	Group	
	2017 $'000	2016 $'000
Cash and cash equivalents	**42,216**	46,426
Trade and other receivables	**81,410**	8,773
Other assets	**–**	10,673
Investment properties (Note 16)	**1,021,609**	1,754,124
Property, plant and equipment (Note 18)	**–**	222
Trade and other payables	**(51,878)**	(61,437)
Borrowings	**(818,335)**	(976,055)
Net assets acquired/Total purchase consideration	**275,022**	782,726
Less:		
Cash of subsidiaries acquired	**(42,216)**	(46,426)
Deposit paid	**(109,780)**	–
Cash outflow on acquisition	**123,026**	736,300

(c) Acquisition of additional interest in a subsidiary

In December 2015, the Group acquired an additional 39% interest in an existing subsidiary, Harbourfront Two Pte Ltd, from the non-controlling interest for a consideration of $226.8 million. The excess of consideration paid over the carrying value of non-controlling interest amounted to $19.7 million and was recognised to capital reserve within equity.

37. Acquisition and disposal of subsidiaries (continued)

(d) Disposal of subsidiaries

The list of disposal of subsidiaries is as follows:

Financial year ended 31 March 2017

Name of subsidiaries	Date of disposal	Effective interest disposed
Godo Kaisha Joso	February 2017	60%
Godo Kaisha Odawara 1	February 2017	60%
Godo Kaisha Odawara 2	February 2017	60%
MGSA P-Trust	March 2017	67%
Great North Holdings Pte Ltd	March 2017	67%
Oxfordshire Asset Limited	March 2017	67%
London Crescent Limited	March 2017	67%
Lancashire Assets Limited	March 2017	67%
Lincolnshire Assets Limited	March 2017	67%
Highland Assets Limited	March 2017	67%
Leicestershire Assets Limited	March 2017	67%
Roosevelt Assets Limited	March 2017	67%
HF (USA) Inc	March 2017	67%
Jefferson Loft Holdings Pte Ltd	March 2017	67%
Jefferson Loft (US) assets Pte Ltd	March 2017	67%
Jefferson Loft LLC	March 2017	67%
Madison Loft Holdings Pte Ltd	March 2017	67%
Madison Loft (US) Assets Pte Ltd	March 2017	67%
Madison Loft LLC	March 2017	67%

The cash flows and net assets of subsidiaries disposed are provided below:

	Group
	2017 **$'000**
Cash and cash equivalents	**42,701**
Trade and other receivables	**40,713**
Other assets	**24,685**
Investment properties (Note 16)	**2,052,667**
Property, plant and equipment (Note 18)	**66**
Trade and other payables	**(101,387)**
Deferred income taxes (Note 23)	**(16,979)**
Borrowings	**(1,885,019)**
Net assets derecognised/disposed	**157,447**
Corporate restructuring surplus	**153,509**
Reclassification of currency translation reserve	**5,018**
Less: 3% retained interest	**(6,959)**
	309,015
Cash of subsidiaries disposed	**(42,701)**
Cash inflow on disposal	**266,314**

There was no disposal of subsidiaries for the financial year ended 31 March 2016.

38. New accounting standards and FRS interpretations

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 or later periods and which the Group had not early adopted:

- **FRS 7 Statement of cash flows** ***(effective for annual periods beginning on or after 1 January 2017)***

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

  The Group will apply the amendment from 1 April 2017.

- **FRS 115 Revenue from contracts with customers** ***(effective for annual periods beginning on or after 1 January 2018)***

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- **FRS 109 Financial Instruments** ***(effective for annual periods beginning on or after 1 January 2018)***

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

  For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

  The Group is assessing the impact of the standard and will apply the standard from 1 April 2018.

- **FRS 116 Leases** ***(effective for annual periods beginning on or after 1 January 2019)***

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay leases are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, including land rent paid/payable to the land authorities for the financial year, the Group has non-cancellable operating lease commitments of $247.1 million (2016: $67.2 million) (Note 27(c)). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

39. Events after the reporting date

On 11 March 2016, the Group signed a forward purchase agreement relating to the acquisition of a mid-rise serviced apartment consisting of 201 units in the USA, for a total consideration of US$110 million (approximately $154.1 million). The acquisition was completed on 17 April 2017.

On 7 April 2017, the Group signed an agreement relating to the acquisition of a portfolio of eight student housing assets and four multi-family assets in the USA and Canada.

On 12 May 2017, the Group issued new perpetual securities through its wholly-owned subsidiary, MTSL, with an aggregated principal amount of $700 million, bearing distributions at a rate of 3.95% per annum, payable semi-annually. The proceeds from these new perpetual securities will be used to refinance its 2012 perpetual securities issuance and for other general corporate purposes.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Mapletree Investments Pte Ltd on 17 May 2017.