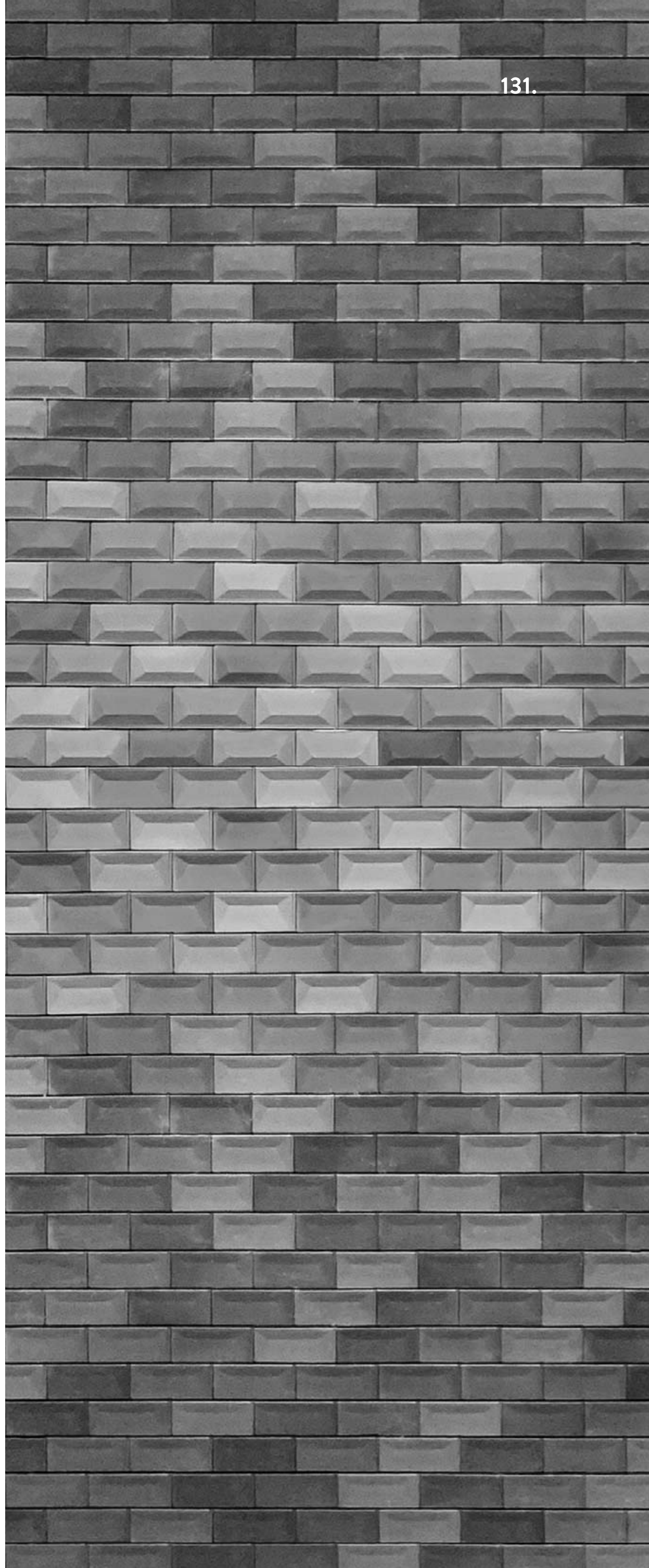
# FINANCIAL STATEMENTS



## CONTENTS

# DIRECTORS' STATEMENT
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors present their statement to the member together with the audited financial statements of Mapletree Investments Pte Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Company and of the Group as at 31 March 2020, the statements of profit or loss, statements of comprehensive income and statements of changes in equity of the Company and of the Group and the consolidated statement of cash flows of the Group for the financial year ended 31 March 2020.

In the opinion of the directors,

(a) The statement of profit or loss, statement of comprehensive income, statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group as set out on pages 140 to 223 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 2020 and the financial performance and changes in equity of the Company and of the Group and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

### DIRECTORS

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

Cheng Wai Wing Edmund
Cheah Kim Teck
David Christopher Ryan
Lee Chong Kwee
Lim Hng Kiang
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 133 to 136 of this statement.

# DIRECTORS' STATEMENT
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

| | Holdings registered in name of director | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | **As at 31 March 2020** | As at 1 April 2019 | **As at 31 March 2020** | As at 1 April 2019 |
| **Astrea III Pte. Ltd.** | | | | |
| (ASTREA III US$170M 4.65% N260708) | | | | |
| Lim Hng Kiang | **US$400,000** | US$400,000 | **–** | – |
| **Astrea IV Pte. Ltd.** | | | | |
| (ASTREA IV US$210M 5.5% B280614) | | | | |
| Lim Hng Kiang | **US$250,000** | US$250,000 | **–** | – |
| (ASTREA IV S$242M 4.35% B280614) | | | | |
| Lim Hng Kiang | **S$8,000** | S$8,000 | **–** | – |
| **Astrea V Pte. Ltd.** | | | | |
| (ASTREA V US$230M 4.5% B290620) | | | | |
| Lim Hng Kiang | **US$200,000** | – | **–** | – |
| **CapitaLand Limited** | | | | |
| (Ordinary shares) | | | | |
| Lim Hng Kiang | **30,000** | 30,000* | **–** | –* |
| Hiew Yoon Khong | **105,550** | 105,550* | **–** | –* |
| Ma Kah Woh Paul | **7,539** | 7,539* | **–** | –* |
| Lee Chong Kwee | **–** | –* | **–** | 3,000* |
| **Olam International Limited** | | | | |
| (OLAM US$500M 5.35% PERCAPSEC) | | | | |
| Lim Hng Kiang | **US$200,000** | US$200,000 | **–** | – |
| **Singapore Airlines Ltd** | | | | |
| (Ordinary shares) | | | | |
| Lim Hng Kiang | **3,000** | 3,000 | **–** | – |
| (SIA S$300M 3.75% N240408) | | | | |
| Lim Hng Kiang | **S$250,000** | S$250,000 | **–** | – |
| **Singapore Technologies Engineering Ltd** | | | | |
| (Ordinary shares) | | | | |
| Lim Hng Kiang | **5,000** | 15,000 | **–** | – |
| Hiew Yoon Khong | **–** | – | **30,000** | 30,000 |

* Interest as at 30 June 2019, date on which CapitaLand Limited becomes a subsidiary of Temasek Holdings (Private) Limited pursuant to Section 5 of the Companies Act, Chapter 50

# DIRECTORS' STATEMENT
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

| | Holdings registered in name of director | | Holdings in which director is deemed to have an interest | |
|---|---|---|---|---|
| | **As at 31 March 2020** | As at 1 April 2019 | **As at 31 March 2020** | As at 1 April 2019 |
| **Singapore Telecommunications Limited** | | | | |
| (Ordinary shares) | | | | |
| Cheah Kim Teck | **–** | 177 | **–** | – |
| Lim Hng Kiang | **66,360** | 16,360 | **–** | – |
| Ma Kah Woh Paul | **190** | 190 | **190** | 190 |
| Wong Meng Meng | **1,550** | 1,667 | **1,550** | 1,550 |
| **StarHub Ltd** | | | | |
| (Ordinary shares) | | | | |
| Lee Chong Kwee | **–** | 20,000 | **–** | – |
| Ma Kah Woh Paul | **145,780** | 117,680 | **–** | – |
| **Temasek Financial (I) Limited** | | | | |
| (TEMASEKFIN S$500M 3.785% N250305) | | | | |
| Lim Hng Kiang | **S$250,000** | S$250,000 | **–** | – |

### SHARE-BASED COMPENSATION PLANS

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

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

The Mapletree Performance Share Units Plan ("Mapletree PSU Plan") and the Mapletree Restricted Share Units Plan ("Mapletree RSU Plan") (collectively referred to as the "Plans") for employees (including executive director) were approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009. The first grant of award under the Plans was made in January 2010. The duration of each share plan is 10 years commencing from 4 November 2009. The Plans were approved to be extended for another 10 years commencing from 4 November 2019 by the Board of Directors and shareholder on 16 May 2019 and 10 September 2019 respectively.

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

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

# DIRECTORS' STATEMENT
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

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

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

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

| | **Outstanding as at 31 March 2020** | Outstanding as at 1 April 2019 |
|---|---|---|
| Hiew Yoon Khong | | |
| – PSU to be released after 31 March 2019 | **–** | 988,372 (1) |
| – PSU to be released after 31 March 2020 | **1,503,106** (1) | 1,503,106 (1) |
| – PSU to be released after 31 March 2021 | **1,603,615** (1) | 1,603,615 (1) |
| – PSU to be released after 31 March 2022 | **1,424,390** (1) | 1,424,390 (1) |
| – PSU to be released after 31 March 2023 | **1,556,420** (1) | 1,556,420 (1) |
| – PSU to be released after 31 March 2024 | **2,038,217** (1) | – |
| – RSU to be released after 31 March 2017 | **–** | 200,937 (3) |
| – RSU to be released after 31 March 2018 | **144,760** (3) | 289,519 (4) |
| – RSU to be released after 31 March 2019 | **431,193** (4) | 458,716 (2) |
| – RSU to be released after 31 March 2020 | **717,489** (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 2020

### 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 from 4 November 2009. The Plans were approved to be extended for another 10 years commencing 4 November 2019 by the Board of Directors and shareholder on 16 May 2019 and 10 September 2019 respectively.

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

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

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

| | Outstanding as at 31 March 2020 | Outstanding as at 1 April 2019 |
|---|---|---|
| Cheng Wai Wing Edmund | **55,796** | 58,795 |
| Cheah Kim Teck | **6,106** | 3,366 |
| David Christopher Ryan | **29,166** | 24,217 |
| Lee Chong Kwee | **33,934** | 36,311 |
| Ma Kah Woh Paul | **33,967** | 36,579 |
| Marie Elaine Teo | **11,981** | 8,556 |
| Samuel N. Tsien | **16,762** | 14,074 |
| Tsang Yam Pui | **23,631** | 19,230 |
| Wong Meng Meng | **27,434** | 29,112 |
| Lim Hng Kiang | **1,656** | – |

### INDEPENDENT AUDITOR

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

On behalf of the directors

**CHENG WAI WING EDMUND**
Chairman

**HIEW YOON KHONG**
Group Chief Executive Officer/ Director

10 June 2020

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBER OF MAPLETREE INVESTMENTS PTE LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

**Our Opinion**

In our opinion, the accompanying consolidated financial statements of Mapletree Investments Pte Ltd (the "Company") and its subsidiaries (the "Group") and the statement of profit or loss, statement of comprehensive income, statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020, and of the consolidated financial performance of the Group and the financial performance of the Company, consolidated changes in equity of the Group and changes in equity of the Company and consolidated cash flows of the Group for the financial year ended on that date.

*What we have audited*

The financial statements of the Company and the Group comprise:

- the statements of profit or loss for the financial year ended 31 March 2020;
- the statements of comprehensive income for the financial year then ended;
- the statement of financial position – Group as at 31 March 2020;
- the statement of financial position – Company as at 31 March 2020;
- the statement of changes in equity – Group for the financial year then ended;
- the statement of changes in equity – Company for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

**Basis for Opinion**

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

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

*Independence*

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

**Emphasis of Matter**

We draw attention to Notes 3 and 34 to the financial statements, which describe the impact arising from the Coronavirus Disease 2019 outbreak on the valuation of the Group's investment properties. Our opinion is not modified in respect of this matter.

**Other Information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBER OF MAPLETREE INVESTMENTS PTE LTD

**Other Information** (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

**Responsibilities of Management and Directors for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBER OF MAPLETREE INVESTMENTS PTE LTD

### 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, 10 June 2020

# STATEMENTS OF PROFIT OR LOSS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| Revenue | 4 | **4,030,011** | 3,948,148 | **2,034,095** | 1,092,532 |
| Other gains – net | 5 | **1,229,379** | 1,970,292 | **21,186** | 1,285 |
| Expenses | | | | | |
| – Depreciation and amortisation | | **(59,077)** | (33,677) | **(15,500)** | (5,840) |
| – Employee compensation | 6 | **(514,045)** | (511,217) | **(248,572)** | (170,388) |
| – Utilities and property maintenance | | **(309,063)** | (298,744) | **(772)** | (739) |
| – Property and related taxes | | **(282,967)** | (246,899) | **(28)** | (193) |
| – Marketing and promotion expenses | | **(46,441)** | (50,240) | **(6,295)** | (8,537) |
| – Professional fees | | **(112,166)** | (117,368) | **(5,968)** | (5,611) |
| – Property rental expenses | | **(331,391)** | (494,151) | **(39)** | (8,746) |
| – Cost of residential properties sold | | **(2,423)** | (780) | **–** | – |
| – Others | | **(101,225)** | (104,745) | **(10,322)** | (31,264) |
| | | **3,500,592** | 4,060,619 | **1,767,785** | 862,499 |
| Finance costs | | **(715,271)** | (620,077) | **(367)** | – |
| Finance income | | **26,204** | 12,288 | **111,784** | 70,298 |
| Finance (costs)/income – net | 7 | **(689,067)** | (607,789) | **111,417** | 70,298 |
| Share of profit of associated companies | 15 | **232,761** | 189,180 | **–** | – |
| Share of profit of joint ventures | 16 | **74,609** | 10,352 | **–** | – |
| **Profit before income tax** | | **3,118,895** | 3,652,362 | **1,879,202** | 932,797 |
| Income tax (expense)/credit | 8(a) | **(322,726)** | (194,732) | **7,615** | 10,057 |
| **Profit for the financial year** | | **2,796,169** | 3,457,630 | **1,886,817** | 942,854 |
| **Profit attributable to:** | | | | | |
| Equity holder of the Company | | **1,705,494** | 2,088,288 | **1,886,817** | 942,854 |
| Perpetual securities holders | | **72,994** | 72,795 | **–** | – |
| Non-controlling interests | | **1,017,681** | 1,296,547 | **–** | – |
| | | **2,796,169** | 3,457,630 | **1,886,817** | 942,854 |

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

# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Profit for the financial year** | **2,796,169** | 3,457,630 | **1,886,817** | 942,854 |
| **Other comprehensive income/(loss):** | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Cash flow hedges | | | | |
| – Net fair value loss | **(235,710)** | (109,688) | **–** | – |
| – Realised and transferred to profit or loss | **46,576** | 26,920 | **–** | – |
| Currency translation differences | **113,498** | 2,324 | **–** | – |
| Share of other comprehensive income of associated companies and joint ventures | | | | |
| – Net fair value loss on cash flow hedges | **(9,411)** | (2,112) | **–** | – |
| – Currency translation differences | **51,503** | (2,650) | **–** | – |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Revaluation gain on property, plant and equipment, net of deferred tax | **4,920** | 11,170 | **–** | – |
| **Other comprehensive loss for the financial year, net of tax** | **(28,624)** | (74,036) | **–** | – |
| **Total comprehensive income for the financial year** | **2,767,545** | 3,383,594 | **1,886,817** | 942,854 |
| **Total comprehensive income attributable to:** | | | | |
| Equity holder of the Company | **1,651,095** | 2,029,335 | **1,886,817** | 942,854 |
| Perpetual securities holders | **72,994** | 72,795 | **–** | – |
| Non-controlling interests | **1,043,456** | 1,281,464 | **–** | – |
| | **2,767,545** | 3,383,594 | **1,886,817** | 942,854 |

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

# STATEMENT OF FINANCIAL POSITION – GROUP
## AS AT 31 MARCH 2020

| | Note | 2020 $'000 | 2019 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 9 | **2,440,059** | 1,896,260 |
| Trade and other receivables | 10 | **860,574** | 870,208 |
| Properties held for sale | | **205,944** | 122,216 |
| Other assets | 11 | **405,939** | 981,027 |
| Inventories | | **2,026** | 7,642 |
| Financial assets, at fair value through profit or loss ("FVPL") | 13 | **–** | 71,799 |
| Assets of disposal group held for sale | 14 | **–** | 1,697,616 |
| Derivative financial instruments | 25 | **26,576** | 22,510 |
| | | **3,941,118** | 5,669,278 |
| **Non-current assets** | | | |
| Trade and other receivables | 10 | **33,797** | 2,213 |
| Other assets | 11 | **5,063** | 4,478 |
| Financial assets, at fair value through other comprehensive income ("FVOCI") | 12 | **69,973** | 69,564 |
| Financial assets, at FVPL | 13 | **48,742** | 21,754 |
| Investments in associated companies | 15 | **2,194,090** | 865,820 |
| Investments in joint ventures | 16 | **1,412,347** | 190,526 |
| Investment properties | 18 | **46,371,136** | 46,975,594 |
| Properties under development | 19 | **1,129,656** | 804,970 |
| Property, plant and equipment | 20 | **230,248** | 175,241 |
| Intangible assets | 23 | **139,685** | 172,874 |
| Derivative financial instruments | 25 | **35,584** | 36,438 |
| | | **51,670,321** | 49,319,472 |
| **Total assets** | | **55,611,439** | 54,988,750 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 24 | **1,375,445** | 1,249,118 |
| Derivative financial instruments | 25 | **193,513** | 34,321 |
| Borrowings | 26 | **2,807,414** | 2,335,700 |
| Finance lease liabilities | | **–** | 1,426 |
| Lease liabilities | | **44,123** | – |
| Current income tax liabilities | | **230,691** | 181,493 |
| Liabilities directly associated with disposal group held for sale | 14 | **–** | 724,471 |
| | | **4,651,186** | 4,526,529 |
| **Non-current liabilities** | | | |
| Trade and other payables | 24 | **576,952** | 521,401 |
| Derivative financial instruments | 25 | **351,882** | 116,478 |
| Borrowings | 26 | **18,758,385** | 21,074,454 |
| Finance lease liabilities | | **–** | 576 |
| Lease liabilities | | **267,480** | – |
| Deferred income taxes | 27 | **471,211** | 400,872 |
| | | **20,425,910** | 22,113,781 |
| Total liabilities | | **25,077,096** | 26,640,310 |
| **NET ASSETS** | | **30,534,343** | 28,348,440 |
| **EQUITY** | | | |
| Share capital | 28 | **3,094,307** | 3,094,307 |
| Retained earnings | | **13,056,610** | 11,615,191 |
| Foreign currency translation reserve | | **(53,926)** | (126,926) |
| Revaluation reserve | | **32,967** | 28,047 |
| Hedging reserve | 30 | **(168,074)** | (35,755) |
| Capital and other reserves | | **122,867** | 17,607 |
| **Shareholder's funds** | | **16,084,751** | 14,592,471 |
| Perpetual securities | 29 | **1,760,200** | 1,760,018 |
| Non-controlling interests | 40 | **12,689,392** | 11,995,951 |
| **Total equity** | | **30,534,343** | 28,348,440 |

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

# STATEMENT OF FINANCIAL POSITION – COMPANY

## AS AT 31 MARCH 2020

| | Note | 2020<br>$'000 | 2019<br>$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 9 | **23,661** | 15,610 |
| Trade and other receivables | 10 | **7,928,698** | 6,054,092 |
| Other assets | 11 | **2,166** | 2,431 |
| | | **7,954,525** | 6,072,133 |
| **Non-current assets** | | | |
| Trade and other receivables | 10 | **1,200,568** | 1,418,251 |
| Investments in subsidiaries | 17 | **1,465,202** | 1,444,016 |
| Property, plant and equipment | 20 | **17,936** | 9,408 |
| Intangible assets | 23 | **1,648** | 3,164 |
| Deferred income taxes | 27 | **49,459** | 33,197 |
| | | **2,734,813** | 2,908,036 |
| **Total assets** | | **10,689,338** | 8,980,169 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 24 | **167,516** | 148,923 |
| Lease liabilities | | **7,515** | – |
| Current income tax liabilities | | **20,771** | 11,651 |
| | | **195,802** | 160,574 |
| **Non-current liabilities** | | | |
| Trade and other payables | 24 | **194,152** | 136,348 |
| Lease liabilities | | **1,420** | – |
| | | **195,572** | 136,348 |
| **Total liabilities** | | **391,374** | 296,922 |
| **NET ASSETS** | | **10,297,964** | 8,683,247 |
| **EQUITY** | | | |
| Share capital | 28 | **3,094,307** | 3,094,307 |
| Retained earnings | | **7,203,657** | 5,588,940 |
| **Total equity** | | **10,297,964** | 8,683,247 |

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

# STATEMENT OF CHANGES IN EQUITY – GROUP

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Note | Share capital $'000 | Retained earnings $'000 | Foreign currency translation reserve $'000 | Revaluation reserve $'000 | Hedging reserve $'000 | Capital and other reserves $'000 | Perpetual securities $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 1 April 2019** | | 3,094,307 | 11,615,191 | (126,926) | 28,047 | (35,755) | 17,607 | 1,760,018 | 11,995,951 | 28,348,440 |
| Profit for the financial year | | – | 1,705,494 | – | – | – | – | 72,994 | 1,017,681 | 2,796,169 |
| Other comprehensive income/(loss) for the financial year | | – | – | 73,000 | 4,920 | (132,319) | – | – | 25,775 | (28,624) |
| **Total comprehensive income/(loss) for the financial year** | | **–** | **1,705,494** | **73,000** | **4,920** | **(132,319)** | **–** | **72,994** | **1,043,456** | **2,767,545** |
| Dividend paid to shareholder | 37 | – | (272,100) | – | – | – | – | – | – | (272,100) |
| Dividend paid to non-controlling interests | | – | – | – | – | – | – | – | (758,530) | (758,530) |
| Restricted profits | | – | (772) | – | – | – | 772 | – | – | – |
| Share of associated companies' issuance costs | | – | – | – | – | – | (1,958) | – | – | (1,958) |
| Capital contribution from non-controlling interests, net of transaction costs | | – | – | – | – | – | 111,488 | – | 1,483,600 | 1,595,088 |
| Disposal of subsidiaries | | – | – | – | – | – | – | – | (1,078,521) | (1,078,521) |
| Dilution of interest in subsidiaries to non-controlling interests | | – | (706) | – | – | – | (4,982) | – | 3,436 | (2,252) |
| Perpetual securities – distribution paid | | – | – | – | – | – | – | (72,812) | – | (72,812) |
| Tax credit arising from perpetual securities distribution | 8(c) | – | 9,508 | – | – | – | – | – | – | 9,508 |
| Others | | – | (5) | – | – | – | (60) | – | – | (65) |
| **Total transactions with owners, recognised directly in equity** | | **–** | **(264,075)** | **–** | **–** | **–** | **105,260** | **(72,812)** | **(350,015)** | **(581,642)** |
| **As at 31 March 2020** | | **3,094,307** | **13,056,610** | **(53,926)** | **32,967** | **(168,074)** | **122,867** | **1,760,200** | **12,689,392** | **30,534,343** |

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

# STATEMENT OF CHANGES IN EQUITY – GROUP

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Note | Share capital $'000 | Retained earnings $'000 | Foreign currency translation reserve $'000 | Revaluation reserve $'000 | Hedging reserve $'000 | Capital and other reserves $'000 | Perpetual securities $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 1 April 2018** | | 3,094,307 | 9,735,235 | (111,927) | 16,877 | 19,369 | 32,044 | 1,760,018 | 9,371,058 | 23,916,981 |
| Profit for the financial year | | – | 2,088,288 | – | – | – | – | 72,795 | 1,296,547 | 3,457,630 |
| Other comprehensive (loss)/income for the financial year | | – | – | (14,999) | 11,170 | (55,124) | – | – | (15,083) | (74,036) |
| **Total comprehensive income/(loss) for the financial year** | | – | 2,088,288 | (14,999) | 11,170 | (55,124) | – | 72,795 | 1,281,464 | 3,383,594 |
| Dividend paid to shareholder | 37 | – | (215,900) | – | – | – | – | – | – | (215,900) |
| Dividend paid to non-controlling interests | | – | – | – | – | – | – | – | (704,258) | (704,258) |
| Restricted profits | | – | (1,016) | – | – | – | 1,016 | – | – | – |
| Share of associated company's issuance costs | | – | – | – | – | – | (14) | – | – | (14) |
| Capital contribution from non-controlling interests, net of transaction costs | | – | – | – | – | – | (1,078) | – | 2,032,322 | 2,031,244 |
| Deconsolidation of a subsidiary | | – | – | – | – | – | – | – | 7,194 | 7,194 |
| Dilution of interest in subsidiaries to non-controlling interests | | – | (813) | – | – | – | (14,361) | – | 8,171 | (7,003) |
| Perpetual securities – distribution paid | | – | – | – | – | – | – | (72,795) | – | (72,795) |
| Tax credit arising from perpetual securities distribution | 8(c) | – | 9,482 | – | – | – | – | – | – | 9,482 |
| Others | | – | (85) | – | – | – | – | – | – | (85) |
| **Total transactions with owners, recognised directly in equity** | | – | (208,332) | – | – | – | (14,437) | (72,795) | 1,343,429 | 1,047,865 |
| **As at 31 March 2019** | | 3,094,307 | 11,615,191 | (126,926) | 28,047 | (35,755) | 17,607 | 1,760,018 | 11,995,951 | 28,348,440 |

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

# STATEMENT OF CHANGES IN EQUITY – COMPANY

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Note | Share capital $'000 | Retained earnings $'000 | Total equity $'000 |
|---|---|---|---|---|
| **As at 1 April 2019** | | 3,094,307 | 5,588,940 | 8,683,247 |
| **Total comprehensive income for the financial year** | | **–** | **1,886,817** | **1,886,817** |
| Dividend paid | 37 | – | (272,100) | (272,100) |
| **As at 31 March 2020** | | **3,094,307** | **7,203,657** | **10,297,964** |
| | | | | |
| **As at 1 April 2018** | | 3,094,307 | 4,861,986 | 7,956,293 |
| **Total comprehensive income for the financial year** | | – | 942,854 | 942,854 |
| Dividend paid | 37 | – | (215,900) | (215,900) |
| **As at 31 March 2019** | | 3,094,307 | 5,588,940 | 8,683,247 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | 2020<br>$'000 | 2019<br>$'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the financial year | **2,796,169** | 3,457,630 |
| Adjustments for: | | |
| – Income tax expense | **322,726** | 194,732 |
| – Amortisation of rent-free incentives | **639** | (23,049) |
| – Depreciation and amortisation | **59,077** | 33,677 |
| – Loss/(gain) on disposal of property, plant and equipment | **2,889** | (238) |
| – (Gain)/loss on disposal of investment properties | **(34,421)** | 257 |
| – Gain on disposal of property under development | **–** | (658) |
| – Impairment loss and adjustment relating to intangibles | **13,258** | 28,777 |
| – Loss allowance on non-trade receivables due from an associated company | **–** | 4,130 |
| – Write-off of shareholder's loan extended to an associated company | **1,357** | – |
| – Fair value changes in derivative financial instruments | **144,187** | 62,863 |
| – Gain on disposal of subsidiaries | **(15,938)** | (21,425) |
| – Net revaluation gain on investment properties and properties under development | **(1,258,441)** | (2,060,645) |
| – Finance costs – net and interest income from loans to non-related parties | **675,409** | 607,789 |
| – Share of profit of associated companies and joint ventures – net | **(307,370)** | (199,532) |
| – Unrealised currency translation (gains)/losses | **(67,217)** | 95,871 |
| Operating cash flow before working capital changes | **2,332,324** | 2,180,179 |
| | | |
| Changes in operating assets and liabilities | | |
| – Trade and other receivables | **(157,696)** | 97,984 |
| – Inventories | **2,953** | 4,741 |
| – Other assets | **22,241** | (77,985) |
| – Trade and other payables | **343,818** | 277,047 |
| – Properties held for sale | **(80,641)** | (34,727) |
| Cash generated from operations | **2,462,999** | 2,447,239 |
| Income tax paid | **(172,214)** | (163,839) |
| **Net cash generated from operating activities** | **2,290,785** | 2,283,400 |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of subsidiaries, net of cash acquired | **(605,215)** | (1,875,640) |
| Disposal of subsidiaries, net of cash disposed | **1,635,822** | 15,814 |
| Payments for investments in associated companies and joint ventures | **(1,514,554)** | (4,862) |
| Loans to associated companies and joint ventures | **(47,728)** | (50,117) |
| Dividends received from associated companies and joint ventures | **169,186** | 267,455 |
| Capital return from associated companies | **375,659** | 359,836 |
| Payments for investment properties | **(2,842,539)** | (5,856,774) |
| Deposits for investment properties | **6,079** | – |
| Proceeds from disposal of investment properties | **208,638** | 22,507 |
| Payments for properties under development | **(751,884)** | (409,552) |
| Prepayments for properties under development | **(166,287)** | (126,840) |
| Proceeds from disposal of properties under development | **–** | 9,126 |
| Payments for intangible assets and property, plant and equipment | **(23,961)** | (20,773) |
| Proceeds from disposal of property, plant and equipment | **1,476** | 1,507 |
| Payments for financial assets, at FVOCI | **(404)** | – |
| Net repayment from/(loan to) a non-related party | **44,051** | (35,899) |
| Interest received | **32,370** | 14,366 |
| **Net cash used in investing activities** | **(3,479,291)** | (7,689,846) |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

| | Note | 2020 $'000 | 2019 $'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Loan proceeds from financial institutions and TMK bonds | | **17,383,470** | 22,124,076 |
| Repayment of loans from financial institutions | | **(16,083,019)** | (16,514,245) |
| Proceeds from issuance of medium term notes | | **888,490** | 977,063 |
| Repayment of medium term notes | | **(148,313)** | (575,000) |
| Loan proceeds from non-controlling interests | | **1,950** | 10,803 |
| Repayment of loans from non-controlling interests | | **(31,092)** | (115,882) |
| Principal payment of lease liabilities | | **(40,522)** | (1,531) |
| Perpetual securities distribution paid | | **(72,812)** | (72,795) |
| Net capital contribution from non-controlling interests | | **1,571,738** | 1,811,625 |
| Net outflow from dilution of interest in subsidiaries to a non-controlling interest | | **(2,252)** | (1,461) |
| Cash dividend paid to non-controlling interests | | **(735,178)** | (704,258) |
| Dividends paid | | **(272,100)** | (215,900) |
| Interest paid | | **(681,930)** | (618,238) |
| Financing fees paid | | **(13,555)** | (70,570) |
| Increase in restricted cash | | **(26,694)** | (25,416) |
| **Net cash generated from financing activities** | | **1,738,181** | 6,008,271 |
| | | | |
| **Net increase in cash and cash equivalents** | | **549,675** | 601,825 |
| Cash and cash equivalents at beginning of financial year | 9 | **1,874,661** | 1,267,605 |
| Effects of currency translation on cash and cash equivalents | | **(39,077)** | 5,231 |
| **Cash and cash equivalents at end of financial year** | 9 | **2,385,259** | 1,874,661 |

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Loans from financial institutions and TMK bonds $'000 | Medium term notes $'000 | Loans from non-controlling interests $'000 | Finance lease liabilities $'000 | Lease liabilities $'000 |
|---|---|---|---|---|---|
| **As at 1 April 2019** | 19,841,816 | 3,499,695 | 68,643 | 2,002 | – |
| Proceeds | 17,383,470 | 888,490 | 1,950 | – | – |
| Repayment | (16,083,019) | (148,313) | (31,092) | – | (53,569) |
| Financing fees paid | (11,949) | (1,606) | – | – | – |
| Non-cash changes: | | | | | – |
| – Adoption of SFRS(I) 16 | – | – | – | (2,002) | 296,000 |
| – Addition | – | – | – | – | 67,543 |
| – Acquisition of subsidiaries (Note 41(a)) | 76,677 | – | – | – | – |
| – Disposal of subsidiaries (Note 41(b)) | (4,346,601) | – | – | – | (11,534) |
| – Disposal | – | – | – | – | (3,242) |
| – Financing fees expense | 17,769 | 836 | – | – | 13,047 |
| – Currency translation differences | 365,100 | 44,698 | (765) | – | 3,358 |
| **As at 31 March 2020** | **17,243,263** | **4,283,800** | **38,736** | **–** | **311,603** |
| | | | | | |
| **As at 1 April 2018** | 13,356,519 | 3,092,721 | 174,249 | 3,405 | – |
| Proceeds | 22,124,076 | 977,063 | 10,803 | – | – |
| Repayment | (16,514,245) | (575,000) | (115,882) | (1,531) | – |
| Financing fees paid | (68,706) | (1,864) | – | – | – |
| Non-cash changes: | | | | | – |
| – Acquisition of subsidiaries (Note 41(a)) | 1,520,056 | – | – | – | – |
| – Disposal of subsidiaries (Note 41(b)) | (38,239) | – | – | – | – |
| – Financing fees expense | 12,099 | 2,844 | – | 128 | – |
| – Currency translation differences | 108,845 | 3,931 | (527) | – | – |
| Liabilities directly associated with disposal group held for sale | (658,589) | – | – | – | – |
| **As at 31 March 2019** | 19,841,816 | 3,499,695 | 68,643 | 2,002 | – |

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

### 1. GENERAL INFORMATION

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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

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

#### 2.2 Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases.

Adoption of SFRS(I) 16 Leases

**(a) When the Group is the lessee**

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.19.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under SFRS(I) 1-17 Leases and SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

ii) On a lease-by-lease basis, the Group has:

a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Interpretations and amendments to published standards effective in 2019 (continued)

**(a) When the Group is the lessee (continued)**

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition.

(ii) The Group recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(iii) For leases previously classified as finance leases, the carrying amounts of the leased asset and finance lease liability as at 1 April 2019 are determined as the carrying amounts of the ROU assets and lease liabilities.

**(b) When the Group is a lessor**

The Group leases its investment properties. The Group has classified these leases as operating leases. There are no material changes to accounting by the Group as a lessor.

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 April 2019 are as follows:

| | Increase $'000 |
|---|---|
| Property, plant and equipment | **47,205** |
| Investment properties | **248,795** |
| Lease liabilities | **296,000** |

The differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April 2019 were short-term leases, low-value leases and the discounting effect using the applicable incremental borrowing rates as at 1 April 2019.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 was 4.27%.

### 2.3 Revenue recognition

**(a) Leasing income**

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

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

**(b) Income from hotel operations**

Revenue from hotel operations is recognised over time as the accommodation and related services are provided.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Revenue recognition

**(c) Rendering of services**

Service income from provision of property development, fund and asset management, marketing and lease administration and administrative and support services are recognised over time as the services are rendered under the terms of the contract, except for incentive fees which are recognised at a point in time when the performance targets as defined in each agreement are met and collectability is reasonably assured.

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

**(d) Interest income**

Interest income, including income arising from financial instruments, is recognised on a time-proportion basis using the effective interest method.

**(e) Dividend income**

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be reliably measured.

**(f) Sale of residential properties**

Revenue from the sale of residential properties is recognised when or as the control of the asset is transferred to the customer, such as when the property is accepted by the customer or deemed as accepted according to the contract or when title has passed to the customer.

### 2.4 Group accounting

**(a) Subsidiaries**

*(i) Consolidation*

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

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the Group.

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (continued)

**(a) Subsidiaries (continued)**

*(ii) Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.6(b) "intangible assets – goodwill on acquisitions" for the subsequent accounting policy on goodwill.

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies for the assets acquired and the liabilities assumed.

*(iii) Disposals*

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

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

Please refer to Note 2.10 "investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

**(b) Transactions with non-controlling interests**

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

# NOTES TO THE FINANCIAL STATEMENTS



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Group accounting (continued)

**(c) Associated companies and joint ventures**

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

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

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

*(i) Acquisitions*

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

*(ii) Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Gains or losses from transactions of investment properties (including those under redevelopment) or properties under development and measured at fair value (Note 2.8) are deemed as realised and therefore not eliminated.

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

*(iii) Disposals*

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

Please refer to Note 2.10 "investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Property, plant and equipment

#### (a) Measurement

*Leasehold land and building*

Leasehold land and building relate to a hotel property owned by the Group. It is initially recognised at cost and subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses. It is revalued by an independent professional valuer on an annual basis. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase is recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

*Other assets*

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

#### (b) Depreciation

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

| | Useful lives |
|---|---|
| Leasehold land and building | Remaining lease period of 30 years from June 2016 |
| Other assets | 3 to 25 years |

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

#### (c) Subsequent expenditure

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

#### (d) Disposal

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Intangible assets

**(a) Acquired intangible assets**

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

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

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

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

*(i) Software licences*

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

*(ii) Customer-related intangibles*

The customer-related intangibles acquired in business combinations include customer relationships, franchise agreements and management agreements. These customer-related assets bear definite useful lives of four to 13 years.

*(iii) Concessionary agreement*

A concessionary agreement was acquired in a business combination and relates to the public licences granted by Maritime and Port Authority of Singapore ("MPA") to develop, maintain and operate passenger terminal facilities. The concessionary agreement expires on 30 September 2027 and has a useful life of 9.5 years commencing from March 2018.

*(iv) Trade names*

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

**(b) Goodwill on acquisitions**

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

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Intangible assets (continued)

**(b) Goodwill on acquisitions (continued)**

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

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

### 2.7 Borrowing costs

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

### 2.8 Investment properties and properties under development

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

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

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

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

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

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

### 2.9 Properties held for sale

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

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

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

### 2.10 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Impairment of non-financial assets

**(a) Goodwill**

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

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

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

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

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

**(b) Other non-financial assets**

The Group's other non-financial assets include other intangible assets, property, plant and equipment, right-of-use assets 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 balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Trade names with indefinite useful life are tested for impairment at least annually and whenever there is any objective evidence or indication that the trade names may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount cannot exceed the carrying amount that would have been determined (net of any accumulated depreciation or amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss unless the asset is measured at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial assets

**(a) Classification and measurement**

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL")

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

<u>At subsequent measurement</u>

*(i) Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movements in fair values and interest income are recognised in profit or loss in the period in which they arise and presented in "other gains – net" and "interest income" respectively.

*(ii) Equity instruments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains – net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair values of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial assets (continued)

**(b) Impairment**

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and lease receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(c) Recognition and derecognition**

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.13 Financial guarantees

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

**(a) Financial guarantees classified as financial liabilities**

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position and subsequently measured at the higher of:

(i) The premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(ii) The amount of expected loss computed using the impairment methodology under SFRS(I) 9.

**(b) Financial guarantees classified as insurance contracts**

These financial guarantees are accounted for as insurance contracts. Provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid as at the balance sheet date. 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Borrowings

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

Borrowings which are due to be settled within 12 months after the balance sheet 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 balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the balance sheet date are presented as non-current borrowings in the statement of financial position.

### 2.15 Trade and other payables

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

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

### 2.16 Derivative financial instruments and hedging activities

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

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

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

The Group documents, at the inception of the transaction, the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 25. The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

The following hedges in place qualified respectively as fair value, cash flow and net investment hedges under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Derivative financial instruments and hedging activities (continued)

**(a) Cash flow hedge**

*(i) Interest rate swaps*

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

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

*(ii) Currency forwards*

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- The gain or loss relating to the effective portion of the spot component of forward contracts is treated as follows: Where the hedged item subsequently results in the recognition of a non-financial asset, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

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

*(iii) Cross currency interest rate swaps*

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

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

**(b) Fair value hedge**

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.16 Derivative financial instruments and hedging activities (continued)

**(c) Net investment hedge**

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

### 2.17 Offsetting of financial instruments

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

### 2.18 Provisions

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

### 2.19 Leases

**(a) The accounting policy for leases before 1 April 2019 is as follows:**

*(i) When the Group is the lessee:*

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.

*(ii) When the Group is the lessor:*

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

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

**(b) The accounting policy for leases from 1 April 2019 is as follows:**

*(i) When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Leases (continued)

**(b) The accounting policy for leases <u>from 1 April 2019</u> is as follows: (continued)**

*(i) When the Group is the lessee: (continued)*

*Right-of-use assets*

The Group recognises right-of-use assets and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "property, plant and equipment".

Right-of-use assets which meet the definition of an investment property is presented within "investment properties" and accounted for in accordance with Note 2.8.

*Lease liabilities*

Lease liabilities are initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Short-term and low-value leases*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Leases (continued)

**(b) The accounting policy for leases from 1 April 2019 is as follows: (continued)**

*(ii) When the Group is the lessor:*

The accounting policy applicable to the Group as a lessor in the comparative period was the same under SFRS(I) 16.

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue.

### 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 balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

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

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

Deferred income tax is measured:

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

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

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

### 2.21 Employee compensation

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

**(a) Defined contribution plans**

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Employee compensation (continued)

**(b) Share-based compensation**

The Group operates the following share-based compensation plans:

*(i) Company*

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

*(ii) Subsidiaries*

The Group's wholly-owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree North Asia Commercial Trust Management Ltd, each operate a Performance Share Units Plan ("REIT PSU Plan") and a Restricted Share Units Plan ("REIT RSU Plan").

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.22 Currency translation

**(a) Functional and presentation currency**

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

**(b) Transactions and balances**

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

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

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

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

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

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

(i) Assets and liabilities are translated at the closing exchange rates as at the balance sheet date;

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

#### 2.25 Share capital and perpetual securities

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

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

#### 2.26 Dividends

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

#### 2.27 Government grants

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

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

### 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

Investment properties (Note 18), properties under development (Note 19) and leasehold land and building classified under property, plant and equipment (Note 20) (collectively known as "properties") are stated at fair value based on valuations primarily by independent professional valuers. The fair values are based on the highest and best use basis.

The valuers have considered valuation techniques including the income capitalisation method, discounted cash flows method, direct comparison method and residual value method, where appropriate (Note 34).

The valuation reports obtained from the valuers for certain properties have highlighted the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak on the valuation of these properties. Given the unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to the valuations than would normally be the case.

The fair values of properties are as disclosed in the respective notes.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

## 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

### (b) Income tax

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

The carrying amounts of current income tax liabilities and deferred income taxes are as disclosed in the statement of financial position.

### (c) Acquisition of real estate assets

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

Based on management's assessment, all properties acquired during the financial year do not represent acquisitions of businesses.

## 4. REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Leasing income | | | | |
| – Investment properties | **2,628,772** | 2,454,147 | **–** | – |
| – Corporate housing operations | **424,262** | 640,271 | **–** | – |
| Income from hotel operations | **34,095** | 38,590 | **–** | – |
| Sale of residential properties | **2,524** | 944 | **–** | – |
| Service charge | **424,901** | 366,268 | **–** | – |
| Fees from management services | | | | |
| – Subsidiaries | **–** | – | **119,931** | 92,626 |
| – Others | **232,448** | 212,241 | **–** | – |
| Car parking fees | **63,058** | 64,002 | **–** | – |
| Dividend income from subsidiaries | **–** | – | **1,910,564** | 996,063 |
| Interest income from loans to non-related parties | **13,658** | 7,450 | **–** | – |
| Other operating income | **206,293** | 164,235 | **3,600** | 3,843 |
| | **4,030,011** | 3,948,148 | **2,034,095** | 1,092,532 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 5. OTHER GAINS – NET

| | Group 2020 $'000 | Group 2019 $'000 | Company 2020 $'000 | Company 2019 $'000 |
|---|---|---|---|---|
| Amortisation of financial guarantee contracts | – | – | – | 1,285 |
| Reversal of impairment loss in subsidiary | – | – | 21,186 | – |
| Net revaluation gain on investment properties and properties under development | 1,258,441 | 2,060,645 | – | – |
| Net gain/(loss) on disposal of: | | | | |
| – Investment properties | 34,421 | (257) | – | – |
| – Properties under development | – | 658 | – | – |
| – Subsidiaries | 15,938 | 21,425 | – | – |
| | 50,359 | 21,826 | – | – |
| Loss allowance on non-trade receivables due from an associated company | – | (4,130) | – | – |
| Impairment loss on intangible assets (Note 23) | (13,258) | (34,077) | – | – |
| Net currency exchange gain/(loss) | 105,558 | (11,109) | – | – |
| Net change in fair value of derivative financial instruments | (144,187) | (62,863) | – | – |
| Restructuring costs | (26,177) | – | – | – |
| Write-off of shareholder's loan extended to an associated company | (1,357) | – | – | – |
| | 1,229,379 | 1,970,292 | 21,186 | 1,285 |

### 6. EMPLOYEE COMPENSATION

| | Group 2020 $'000 | Group 2019 $'000 | Company 2020 $'000 | Company 2019 $'000 |
|---|---|---|---|---|
| Wages and salaries | 470,850 | 438,867 | 225,761 | 140,178 |
| Employer's contribution to defined contribution plans including Central Provident Fund ("CPF") | 20,980 | 17,905 | 10,897 | 10,349 |
| Share-based compensation expenses | 22,215 | 54,445 | 11,914 | 19,861 |
| | 514,045 | 511,217 | 248,572 | 170,388 |

### 7. FINANCE (COSTS)/INCOME – NET

| | Group 2020 $'000 | Group 2019 $'000 | Company 2020 $'000 | Company 2019 $'000 |
|---|---|---|---|---|
| Interest expense | | | | |
| – Loans from financial institutions | (544,697) | (491,758) | – | – |
| – Derivative instruments – hedge accounting | (2,276) | (360) | – | – |
| – Derivative instruments – non-hedge accounting | (14,407) | (6,040) | – | – |
| – Medium term notes | (119,554) | (101,361) | – | – |
| – Loans from non-controlling interests | (2,685) | (5,487) | – | – |
| – Finance lease liabilities | – | (128) | – | – |
| – Lease liabilities | (13,047) | – | (367) | – |
| | (696,666) | (605,134) | (367) | – |
| Interest income for financial assets measured at amortised cost | | | | |
| – Deposits placed with subsidiaries | – | – | 111,695 | 70,243 |
| – Short-term bank deposits | 16,363 | 9,803 | 89 | 55 |
| – Others | 9,841 | 2,485 | – | – |
| | 26,204 | 12,288 | 111,784 | 70,298 |
| Financing fees | (18,605) | (14,943) | – | – |
| | (689,067) | (607,789) | 111,417 | 70,298 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 8. INCOME TAX EXPENSE/(CREDIT)

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| Tax expense/(credit) attributable to profit is made up of: | | | | |
| Profit for the financial year: | | | | |
| – Current income tax | **188,694** | 177,008 | **10,910** | 2,638 |
| – Deferred income tax | **90,614** | 81,772 | **(16,262)** | (7,891) |
| – Withholding tax | **45,974** | 30,882 | **–** | – |
| | **325,282** | 289,662 | **(5,352)** | (5,253) |
| (Over)/underprovision in prior financial years: | | | | |
| – Current income tax | **(7,714)** | (1,188) | **(2,263)** | – |
| – Deferred income tax | **5,158** | (93,742) | **–** | (4,804) |
| | **322,726** | 194,732 | **(7,615)** | (10,057) |

The income tax expense/(credit) on the Group's and the Company's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax due to the following:

| | Group | | Company | |
|---|---|---|---|---|
| | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| Profit before income tax | **3,118,895** | 3,652,362 | **1,879,202** | 932,797 |
| Share of results of associated companies and joint ventures, net of tax | **(307,370)** | (199,532) | **–** | – |
| Profit before share of results of associated companies and joint ventures | **2,811,525** | 3,452,830 | **1,879,202** | 932,797 |
| Tax calculated at a tax rate of 17% (2019: 17%) | **477,959** | 586,981 | **319,464** | 158,575 |
| Effects of: | | | | |
| – Singapore statutory stepped income exemption and concessionary tax rate | **(13,745)** | (10,891) | **(32)** | (27) |
| – Income not subject to tax | **(355,808)** | (433,049) | **(328,466)** | (169,549) |
| – Expenses not deductible for tax purposes | **126,106** | 82,524 | **3,682** | 5,748 |
| – Effects of different tax rates in other countries | **60,330** | 37,593 | **–** | – |
| – Deferred tax benefits not recognised | **25,785** | 27,292 | **–** | – |
| – Overprovision in prior financial years | **(2,556)** | (94,930) | **(2,263)** | (4,804) |
| – Others | **4,655** | (788) | **–** | – |
| Tax expense/(credit) | **322,726** | 194,732 | **(7,615)** | (10,057) |

(b) Tax credit of $4.7 million (2019: $5.0 million) relating to fair value changes and reclassification adjustments on cash flow hedges was included in other comprehensive income.

(c) Tax credit of $9.5 million (2019: $9.5 million) relating to perpetual securities distribution was recognised directly in equity.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 9. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Cash at bank and on hand | **1,904,573** | 1,652,317 | **23,661** | 9,610 |
| Short-term bank deposits | **535,486** | 243,943 | **–** | 6,000 |
| | **2,440,059** | 1,896,260 | **23,661** | 15,610 |

Short-term bank deposits of the Group as at the balance sheet date had an average maturity of 61 days (2019: 60 days). The effective interest rates as at the balance sheet date ranged from 0.25% to 7.00% (2019: 0.01% to 6.60%) per annum and the interest rates are re-priced upon maturity.

Short-term bank deposits of the Company as at 31 March 2019 had an average maturity of 126 days. The effective interest rates as at 31 March 2019 ranged from 1.50% to 1.55% per annum and the interest rates are re-priced upon maturity.

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Cash and bank balances (as above) | **2,440,059** | 1,896,260 |
| Cash and bank balances classified as "disposal group held for sale" | **–** | 3,817 |
| Less: Restricted cash | **(54,800)** | (25,416) |
| Cash and cash equivalents per consolidated statement of cash flows | **2,385,259** | 1,874,661 |

Restricted cash are cash reserves which are required to be maintained for use in capital expenditure, loan repayment, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 10. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Current | | | | |
| Trade receivables: | | | | |
| – Subsidiaries | **–** | – | **3,242** | 4,214 |
| – Associated companies | **27,893** | 7,629 | **–** | – |
| – Non-related parties | **117,362** | 147,687 | **–** | – |
| | **145,255** | 155,316 | **3,242** | 4,214 |
| Less: Loss allowance on receivables from non-related parties | **(9,925)** | (7,586) | **–** | – |
| Trade receivables – net | **135,330** | 147,730 | **3,242** | 4,214 |
| Non-trade receivables: | | | | |
| – Non-controlling interests | **–** | 203,748 | **–** | – |
| – Subsidiaries | **–** | – | **398,257** | 427,740 |
| | **–** | 203,748 | **398,257** | 427,740 |
| Interest receivable: | | | | |
| – Subsidiaries | **–** | – | **33,081** | 26,664 |
| – Non-related parties | **9,961** | 2,469 | **–** | – |
| | **9,961** | 2,469 | **33,081** | 26,664 |
| Dividend receivable | **39,415** | – | **935,500** | 536,532 |
| Deposits placed with a subsidiary | **–** | – | **6,557,350** | 5,056,962 |
| Loans: | | | | |
| – Associated company | **–** | 12,458 | **–** | – |
| – Joint venture | **24,221** | 23,709 | **–** | – |
| – Non-controlling interest | **161,227** | 145,231 | **–** | – |
| | **185,448** | 181,398 | **–** | – |
| Value-added tax – net | **120,790** | 19,882 | **1,268** | 1,980 |
| Sundry receivables | **71,102** | 84,974 | **–** | – |
| Accrued revenue | **298,528** | 230,007 | **–** | – |
| | **490,420** | 334,863 | **1,268** | 1,980 |
| | **860,574** | 870,208 | **7,928,698** | 6,054,092 |
| Non-current | | | | |
| Non-trade receivables: | | | | |
| – Associated companies | **2,191** | 10,222 | **–** | – |
| Less: Loss allowance | **–** | (8,009) | **–** | – |
| Non-trade receivables – net | **2,191** | 2,213 | **–** | – |
| Loans: | | | | |
| – Subsidiaries | **–** | – | **1,200,568** | 1,418,251 |
| – Associated company | **31,606** | – | **–** | – |
| | **31,606** | – | **1,200,568** | 1,418,251 |
| | **33,797** | 2,213 | **1,200,568** | 1,418,251 |
| | **894,371** | 872,421 | **9,129,266** | 7,472,343 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

**Current**

(a) Non-trade receivables due from non-controlling interests, comprising equity contributions, were unsecured, interest-free and repaid during the financial year.

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

(c) Deposits placed with a subsidiary mature within six months (2019: six months) from the end of the financial year. The effective interest rates of the deposits as at the balance sheet date ranged from 0.98% to 1.97% (2019: 1.00% to 1.89%) per annum. The interest rates are re-priced upon maturity.

(d) The loan to an associated company was unsecured, interest-free and repaid during the financial year.

(e) The loan to a joint venture is unsecured, bears interest ranging from 4.24% to 4.26% (2019: 3.23% to 4.26%) per annum and is repayable in July 2020 (2019: April 2019).

(f) The loan to non-controlling interest is secured and bears interest at 1% (2019: 1%) per annum. The loan forms part of the consideration for the Group's acquisition of a land parcel in Japan from the non-controlling interest. The loan will be reclassified to properties under development upon the transfer of the land title to the Group which is expected to be within the next 12 months.

**Non-current**

(a) Non-trade receivables due from associated companies are unsecured, interest-free and repayment is not expected within the next 12 months. Included in the Group's receivables as at 31 March 2019 was a gross carrying amount of $8.0 million, fully impaired due to financial difficulties experienced by the associated company. The receivable and the loss allowance were written off during the financial year.

(b) Loans to subsidiaries are unsecured, interest-free and have no fixed terms of repayment, although repayment is not expected within the next 12 months.

(c) The loan to an associated company is unsecured, bears interest at 2.04% per annum and repayment is not expected within the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 11. OTHER ASSETS

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Current | | | | |
| Deposits | **45,742** | 80,831 | **610** | 711 |
| Prepayments | **360,197** | 900,196 | **1,556** | 1,720 |
| | **405,939** | 981,027 | **2,166** | 2,431 |
| Non-current | | | | |
| Deposits | **3,135** | 3,072 | **–** | – |
| Prepayments | **1,928** | 1,406 | **–** | – |
| | **5,063** | 4,478 | **–** | – |
| | **411,002** | 985,505 | **2,166** | 2,431 |

Included in the above prepayments are transactions pending receipt of their respective land building certificates from the respective authorities. Accordingly, the considerations paid were classified as prepayments as at the balance sheet date.

| | | Group | | | |
|---|---|---|---|---|---|
| | | **2020** | | 2019 | |
| Nature | Country | **No.** | **$'000** | No. | $'000 |
| Acquired land parcels | China | **7** | **35,975** | 9 | 55,195 |
| Development under construction | China | **–** | **–** | 1 | 565,049 |
| Completed development | Japan | **1** | **141,461** | 1 | 127,030 |
| | | | **177,436** | | 747,274 |

### 12. FINANCIAL ASSETS, AT FVOCI

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| As at 1 April | **69,564** | 69,564 |
| Addition | **404** | – |
| Currency translation differences | **5** | – |
| As at 31 March | **69,973** | 69,564 |
| Unquoted equity securities | **69,973** | 69,564 |

### 13. FINANCIAL ASSETS, AT FVPL

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| As at 1 April | **93,553** | 58,507 |
| Addition | **5,766** | 35,899 |
| Repayments | **(49,817)** | – |
| Currency translation differences | **(760)** | (853) |
| As at 31 March | **48,742** | 93,553 |
| Debt instruments | | |
| Current | **–** | 71,799 |
| Non-current | **48,742** | 21,754 |
| | **48,742** | 93,553 |

The debt instruments, comprising loans to non-related parties, are secured, bear interest at 7% (2019: 7% and 14%) per annum and are repayable between September 2021 and January 2023 (2019: May 2019 to September 2021).

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 14. DISPOSAL GROUP HELD FOR SALE

In December 2018, the Group entered into a conditional sales and purchase agreement with a non-related party to divest its entire stake in a wholly-owned subsidiary, Autumn Sunstone Ltd. Accordingly, the assets and liabilities related to Autumn Sunstone Ltd. and its subsidiary ("Autumn Sunstone Ltd. Group") were presented as "assets of disposal group held for sale" and "liabilities directly associated with disposal group held for sale" as at 31 March 2019. The transaction was completed in May 2019.

The major classes of assets and liabilities of Autumn Sunstone Ltd. Group classified as held for sale as at 31 March 2019 were as follows:

| | Group 2019 $'000 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 3,817 |
| Trade and other receivables | 9,959 |
| Other current assets | 422 |
| Investment property | 1,683,340 |
| Property, plant and equipment | 78 |
| Assets of disposal group held for sale | 1,697,616 |
| **Liabilities** | |
| Trade and other payables | (65,882) |
| Borrowings | (658,589) |
| Liabilities directly associated with disposal group held for sale | (724,471) |
| **Net assets directly associated with disposal group classified as held for sale** | 973,145 |
| Cumulative currency translation differences recognised in other comprehensive income relating to disposal group held for sale | 1,709 |

### 15. INVESTMENTS IN ASSOCIATED COMPANIES

| | Group 2020 $'000 | Group 2019 $'000 |
|---|---|---|
| Unquoted equity and preference shares, at cost | **1,997,891** | 758,633 |
| Share of post-acquisition reserves | **196,199** | 107,187 |
| | **2,194,090** | 865,820 |

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

| | Group 2020 $'000 | Group 2019 $'000 |
|---|---|---|
| Net profit | **232,761** | 189,180 |
| Other comprehensive income/(loss), net of tax | **19,257** | (5,005) |
| Total comprehensive income | **252,018** | 184,175 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 15. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Set out below is the associated company that is material to the Group.

| Name of entity | Nature of relationship with the Group | Principal place of business | % of ownership interest 2020 | % of ownership interest 2019 |
|---|---|---|---|---|
| MUSEL Private Trust | Private equity fund which invests in logistics properties in the United States and across Europe | The United States/ Europe | **33** | 64* |

* MUSEL Private Trust was accounted for as a subsidiary in the prior financial year. There was no material associated company in the prior financial year.

**Summarised financial information for associated companies**

*Summarised balance sheet*

| | MUSEL Private Trust | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Current assets | **404,064** | – |
| Current liabilities | **(122,699)** | – |
| Non-current assets | **6,278,704** | – |
| Non-current liabilities | **(3,701,725)** | – |

*Summarised statement of comprehensive income*

| | MUSEL Private Trust | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Revenue | **39,722** | – |
| Profit from continuing operations | **276,314** | – |
| Other comprehensive income | **29,506** | – |
| Total comprehensive income | **305,820** | – |

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

| | **2020** | 2019 |
|---|---|---|
| | **$'000** | $'000 |
| Profit from continuing operations | **140,770** | 189,180 |
| Other comprehensive income/(loss) | **8,478** | (5,005) |
| Total comprehensive income | **149,248** | 184,175 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 15. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

**Reconciliation of summarised financial information**

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associated company, is as follows:

| | MUSEL Private Trust 2020 $'000 |
|---|---|
| Net assets | **2,858,344** |
| Group's equity interest | **33%** |
| Group's share of net assets | **950,370** |
| Carrying value | **950,370** |
| Add: Carrying value of individually immaterial associated companies, in aggregate | **1,243,720** |
| Carrying value of Group's interest in associated companies | **2,194,090** |

### 16. INVESTMENTS IN JOINT VENTURES

| | Group 2020 $'000 | Group 2019 $'000 |
|---|---|---|
| Unquoted equity shares, at cost | **1,275,136** | 151,703 |
| Loan to a joint venture | **77,758** | 50,117 |
| Share of post-acquisition reserves | **59,453** | (11,294) |
| | **1,412,347** | 190,526 |

The Group's investments in joint ventures and share of results individually and cumulatively represent less than 5% of the Group's consolidated net assets and net profit.

As at 31 March 2020, the loan to a joint venture amounting to $25.3 million (2019: $Nil) is unsecured, bears interest of 1.93% per annum and is repayable in full in December 2024. The remaining balance of the loan to a joint venture of $52.5 million (2019: $50.1 million) is unsecured, interest-free and has no fixed terms of repayment.

The following represents the aggregate amount of the Group's share in the net profit and total comprehensive income of joint ventures:

| | Group 2020 $'000 | Group 2019 $'000 |
|---|---|---|
| Net profit | **74,609** | 10,352 |
| Other comprehensive income, net of tax | **22,835** | 243 |
| Total comprehensive income | **97,444** | 10,595 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 17. INVESTMENTS IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Unquoted equity shares, at cost | **596,690** | 596,690 |
| Unquoted redeemable convertible preference shares, at cost | **894,200** | 894,200 |
| | **1,490,890** | 1,490,890 |
| Financial guarantees | **115,946** | 115,946 |
| Less: Accumulated impairment losses | **(141,634)** | (162,820) |
| | **1,465,202** | 1,444,016 |

Details of significant subsidiaries and summarised financial information of subsidiaries with material non-controlling interests are disclosed in Note 39 and Note 40 respectively.

*Control without majority equity interest and voting power*

Under SFRS(I) 10 Consolidated Financial Statements, control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group has assessed that it controls Mapletree Commercial Trust ("MCT"), Mapletree North Asia Commercial Trust ("MNACT"), Mapletree Industrial Trust ("MIT") and Mapletree Logistics Trust ("MLT") (collectively the "REITs") although the Group owns less than half of the equity interest and voting power of the REITs as disclosed in Note 39. The activities of the REITs are managed by the Group's wholly-owned subsidiaries, namely Mapletree Commercial Trust Management Ltd, Mapletree North Asia Commercial Trust Management Ltd, Mapletree Industrial Trust Management Ltd and Mapletree Logistics Trust Management Ltd respectively (collectively the "REIT Managers"). The REIT Managers have decision-making authority over the REITs subject to oversight by the trustees of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure. Accordingly, the Group concluded that it has control over the REITs and consolidated these investees. Summarised financial information of the REITs is disclosed in Note 40.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 18. INVESTMENT PROPERTIES

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Completed investment properties | | |
| As at 1 April | **46,762,901** | 37,296,137 |
| Adoption of SFRS(I) 16 (Note 2.2) | **248,795** | – |
| Additions | **3,465,042** | 6,119,035 |
| Acquisition of subsidiaries (Note 41(a)) | **691,110** | 2,880,150 |
| Disposals | **(182,617)** | (22,764) |
| Disposal of subsidiaries (Note 41(b)) | **(7,348,944)** | (36,639) |
| Transfer to properties under development (Note 19) | **(3,727)** | (22,298) |
| Transfer from properties under development (Note 19) | **567,099** | 162,658 |
| Transfer from investment properties under redevelopment | **86,491** | 118,084 |
| Transfer to investment properties under redevelopment | **–** | (107,766) |
| Reclassified as assets of disposal group held for sale (Note 14) | **–** | (1,683,340) |
| Net revaluation gain recognised in profit or loss | **1,088,545** | 2,037,685 |
| Currency translation differences | **642,328** | 21,959 |
| As at 31 March | **46,017,023** | 46,762,901 |
| | | |
| Investment properties under redevelopment | | |
| As at 1 April | **212,693** | 126,193 |
| Additions | **52,396** | 89,739 |
| Transfer from completed investment properties | **–** | 107,766 |
| Transfer to completed investment properties | **(86,491)** | (118,084) |
| Net revaluation gain recognised in profit or loss | **175,441** | 8,437 |
| Currency translation differences | **74** | (1,358) |
| As at 31 March | **354,113** | 212,693 |
| | | |
| **Total investment properties** | **46,371,136** | 46,975,594 |

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

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Leasing income | **2,628,772** | 2,454,147 |
| Direct operating expenses arising from investment properties that generated leasing income | **(680,861)** | (628,728) |

(b) The revaluation gain of investment properties recognised in profit or loss comprises the following:

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Fair value change of investment properties | **1,263,986** | 2,046,122 |
| Effect of lease incentive and marketing commission amortisation | **(73,281)** | – |
| Revaluation gain recognised in profit or loss | **1,190,705** | 2,046,122 |

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 18. INVESTMENT PROPERTIES (CONTINUED)

(c) Certain investment properties of the Group, amounting to $3,598.8 million (2019: $7,739.9 million) are mortgaged to secure loans from financial institutions (Note 26).

(d) The fair value hierarchy, valuation process, techniques and inputs used to determine the fair values of investment properties and properties under development (Note 19) are disclosed in Note 34.

(e) As at 31 March 2020, the fair values of the investment properties and properties under development (Note 19) have been determined primarily by independent professional valuers. These valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. It is the intention of the Group to hold the investment properties and properties under development (Note 19) on a long-term basis.

(f) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21.

## 19. PROPERTIES UNDER DEVELOPMENT

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| As at 1 April | **804,970** | 409,803 |
| Additions | **822,697** | 592,086 |
| Acquisition of subsidiaries (Note 41(a)) | **–** | 3,291 |
| Transfer to completed investment properties (Note 18) | **(567,099)** | (162,658) |
| Transfer from completed investment properties (Note 18) | **3,727** | 22,298 |
| Disposal | **–** | (8,468) |
| Disposal of subsidiaries (Note 41(b)) | **(4,409)** | – |
| Deconsolidation of a subsidiary | **–** | (58,652) |
| Net revaluation gain recognised in profit or loss | **67,736** | 14,523 |
| Currency translation differences | **2,034** | (7,253) |
| As at 31 March | **1,129,656** | 804,970 |

During the financial year, finance costs capitalised as part of cost of properties under development amounted to $9.4 million (2019: $5.3 million).

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 20. PROPERTY, PLANT AND EQUIPMENT

| | Group | | |
|---|---|---|---|
| | Leasehold land and building $'000 | Other assets $'000 | Total $'000 |
| Cost or valuation | | | |
| As at 1 April 2018 | 131,979 | 72,278 | 204,257 |
| Additions | 637 | 18,001 | 18,638 |
| Write-offs/Disposals | – | (27,235) | (27,235) |
| Reclassified as disposal group classified as held for sale (Note 14) | – | (83) | (83) |
| Revaluation gain | 11,747 | – | 11,747 |
| Revaluation adjustment | (4,944) | – | (4,944) |
| Currency translation differences | 1,185 | 782 | 1,967 |
| As at 31 March 2019 | 140,604 | 63,743 | 204,347 |
| Adoption of SFRS(I) 16 (Note 2.2) | 43,074 | 4,131 | 47,205 |
| Additions | 16,401 | 28,397 | 44,798 |
| Acquisition of subsidiaries (Note 41(a)) | – | 29 | 29 |
| Write-offs/Disposals | (6,409) | (21,888) | (28,297) |
| Disposal of subsidiaries (Note 41(b)) | – | (1,081) | (1,081) |
| Revaluation gain | 4,890 | – | 4,890 |
| Revaluation adjustment | (5,613) | – | (5,613) |
| Currency translation differences | 4,007 | 985 | 4,992 |
| As at 31 March 2020 | **196,954** | **74,316** | **271,270** |
| Comprising: | | | |
| **31 March 2019** | | | |
| At cost | – | 63,743 | 63,743 |
| At valuation | 140,604 | – | 140,604 |
| | 140,604 | 63,743 | 204,347 |
| **31 March 2020** | | | |
| At cost | 53,555 | 74,316 | 127,871 |
| At valuation | 143,399 | – | 143,399 |
| | **196,954** | **74,316** | **271,270** |
| Accumulated depreciation | | | |
| As at 1 April 2018 | – | 38,961 | 38,961 |
| Depreciation | 4,883 | 15,455 | 20,338 |
| Write-offs/Disposals | – | (25,966) | (25,966) |
| Reclassified as disposal group held for sale (Note 14) | – | (5) | (5) |
| Revaluation adjustment | (4,944) | – | (4,944) |
| Currency translation differences | 61 | 661 | 722 |
| As at 31 March 2019 | – | 29,106 | 29,106 |
| Depreciation | 16,767 | 19,570 | 36,337 |
| Write-offs/Disposals | (2,733) | (18,827) | (21,560) |
| Disposal of subsidiaries (Note 41(b)) | – | (185) | (185) |
| Revaluation adjustment | (5,613) | – | (5,613) |
| Currency translation differences | 413 | 2,524 | 2,937 |
| As at 31 March 2020 | **8,834** | **32,188** | **41,022** |
| Net book value | | | |
| As at 31 March 2019 | 140,604 | 34,637 | 175,241 |
| As at 31 March 2020 | **188,120** | **42,128** | **230,248** |

The leasehold land and building of the Group with a carrying value of $143.4 million (2019: $140.6 million) are carried at the revalued amount in accordance with the Group's accounting policy as described in Note 2.5. If the leasehold land and building were included in the financial statements at cost less accumulated depreciation and impairment losses, the net book value would have been $103.8 million (2019: $113.6 million).

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Company | | |
|---|---|---|---|
| | Building $'000 | Other assets $'000 | Total $'000 |
| Cost | | | |
| As at 1 April 2018 | – | 28,068 | 28,068 |
| Additions | – | 5,409 | 5,409 |
| Write-offs/Disposals | – | (647) | (647) |
| As at 31 March 2019 | – | 32,830 | 32,830 |
| Adoption of SFRS(I) 16 | 17,372 | – | 17,372 |
| Additions | – | 5,241 | 5,241 |
| Write-offs/Disposals | – | (2,328) | (2,328) |
| As at 31 March 2020 | 17,372 | 35,743 | 53,115 |
| Accumulated depreciation | | | |
| As at 1 April 2018 | – | 19,589 | 19,589 |
| Depreciation | – | 4,332 | 4,332 |
| Write-offs/Disposals | – | (499) | (499) |
| As at 31 March 2019 | – | 23,422 | 23,422 |
| Depreciation | 8,584 | 5,396 | 13,980 |
| Write-offs/Disposals | – | (2,223) | (2,223) |
| As at 31 March 2020 | 8,584 | 26,595 | 35,179 |
| Net book value | | | |
| As at 31 March 2019 | – | 9,408 | 9,408 |
| As at 31 March 2020 | **8,788** | **9,148** | **17,936** |

### 21. LEASES – THE GROUP AS A LESSEE

**Nature of the Group's leasing activities**

The Group leases various leasehold land and buildings. The leasehold land and buildings are recognised within property, plant and equipment (Note 20) when they are used as office facilities or used in the supply of services such as the Group's hotel operations. Leasehold land and buildings that are held for long-term rental yields and/or for capital appreciation are classified within "investment properties" (Note 18).

There are no externally imposed covenants on these lease arrangements.

*Right-of-use assets – Fair value/Cost*

| | | Property, plant and equipment | | |
|---|---|---|---|---|
| | Investment properties $'000 | Leasehold and building $'000 | Other assets $'000 | Total $'000 |
| Adoption of SFRS (I) 16 | 248,795 | 43,074 | 4,131 | 296,000 |
| Additions | 45,599 | 16,104 | 5,840 | 67,543 |
| Disposals | (11,572) | (6,409) | – | (17,981) |
| Currency translation differences | 2,754 | 786 | 182 | 3,722 |
| Carrying amount as at 31 March 2020 | **285,576** | **53,555** | **10,153** | **349,284** |

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 21. LEASES – THE GROUP AS A LESSEE (CONTINUED)

*Right-of-use assets – Fair value loss and accumulated depreciation*

| | | Property, plant and equipment | | |
|---|---|---|---|---|
| | Investment properties $'000 | Leasehold and building $'000 | Other assets $'000 | Total $'000 |
| Depreciation charge during the financial year | – | 11,492 | 1,658 | 13,150 |
| Revaluation loss recognised in profit or loss | 32,352 | – | – | 32,352 |
| Disposals | (111) | (2,733) | – | (2,844) |
| Currency translation differences | 290 | 74 | 18 | 382 |
| Carrying amount as at 31 March 2020 | **32,531** | **8,833** | **1,676** | **43,040** |
| Net book value of ROU assets | **253,045** | **44,722** | **8,477** | **306,244** |

*Lease expense not capitalised in lease liabilities*

| | Group **2020** **$'000** |
|---|---|
| Lease expense – Short-term leases | **331,102** |
| Lease expense – Low-value leases | **289** |
| Total | **331,391** |

*Total cash outflow for leases*

| | Group **2020** **$'000** |
|---|---|
| Repayment under lease liabilities – Principal | **40,522** |
| Repayment under lease liabilities – Interest | **13,047** |
| Lease expense – Short-term leases | **331,102** |
| Lease expense – Low-value leases | **289** |
| Total cash outflow for leases | **384,960** |

## 22. LEASES – THE GROUP AS A LESSOR

**Nature of the Group's leasing activities – the Group as a lessor**

The Group leases out its investment properties to third parties. The leases have escalation clauses and renewal rights. Where considered necessary to reduce credit risk, the Group may obtain deposits and bank guarantees for the term of the lease. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties is disclosed in Note 18.

Undiscounted lease payments from the operating leases to be received after the balance sheet date are as follows:

| | Group **2020** **$'000** |
|---|---|
| Less than one year | **2,450,618** |
| One to two years | **1,918,687** |
| Two to three years | **1,402,523** |
| Three to four years | **954,531** |
| Four to five years | **659,671** |
| Later than five years | **2,449,555** |
| Total undiscounted lease payments | **9,835,585** |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 23. INTANGIBLE ASSETS

| | Definite useful life | | | Indefinite useful life | | |
|---|---|---|---|---|---|---|
| | Software licences $'000 | Customer-related intangibles $'000 | Concessionary agreement $'000 | Trade names $'000 | Goodwill arising on consolidation $'000 | Total $'000 |
| **Group** | | | | | | |
| **Cost** | | | | | | |
| As at 1 April 2018 | 14,658 | 17,848 | 76,738 | 75,191 | 54,064 | 238,499 |
| Additions | 173 | – | 1,962 | – | – | 2,135 |
| Adjustment | – | 5,300 | – | – | – | 5,300 |
| Write-offs/Disposals | (11) | – | – | – | – | (11) |
| Currency translation differences | (1) | 465 | – | 1,630 | 1,309 | 3,403 |
| As at 31 March 2019 | 14,819 | 23,613 | 78,700 | 76,821 | 55,373 | 249,326 |
| Additions | 51 | – | 1,089 | – | – | 1,140 |
| Write-offs/Disposals | (184) | – | – | – | – | (184) |
| Currency translation differences | 4 | 313 | – | 1,299 | 291 | 1,907 |
| As at 31 March 2020 | **14,690** | **23,926** | **79,789** | **78,120** | **55,664** | **252,189** |
| **Accumulated amortisation and impairment** | | | | | | |
| As at 1 April 2018 | 9,208 | 1,586 | – | 18,237 | – | 29,031 |
| Amortisation charge | 1,696 | 2,325 | 9,318 | – | – | 13,339 |
| Impairment charged to profit or loss (Note 5) | 179 | – | – | – | 33,898 | 34,077 |
| Currency translation differences | – | – | – | – | 5 | 5 |
| As at 31 March 2019 | 11,083 | 3,911 | 9,318 | 18,237 | 33,903 | 76,452 |
| Amortisation charge | 1,792 | 11,492 | 9,453 | – | – | 22,737 |
| Write-offs/Disposals | (149) | – | – | – | – | (149) |
| Impairment charged to profit or loss (Note 5) | – | – | – | – | 13,258 | 13,258 |
| Currency translation differences | – | 30 | – | – | 176 | 206 |
| As at 31 March 2020 | **12,726** | **15,433** | **18,771** | **18,237** | **47,337** | **112,504** |
| **Net book value** | | | | | | |
| As at 31 March 2019 | 3,736 | 19,702 | 69,382 | 58,584 | 21,470 | 172,874 |
| As at 31 March 2020 | **1,964** | **8,493** | **61,018** | **59,883** | **8,327** | **139,685** |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 23. INTANGIBLE ASSETS (CONTINUED)

| | Definite useful life | |
|---|---|---|
| | Software licences $'000 | Total $'000 |
| Company | | |
| Cost | | |
| As at 1 April 2018 | 12,858 | 12,858 |
| Additions | 49 | 49 |
| As at 31 March 2019 | 12,907 | 12,907 |
| Additions | 4 | 4 |
| As at 31 March 2020 | **12,911** | **12,911** |
| Accumulated amortisation | | |
| As at 1 April 2018 | 8,235 | 8,235 |
| Amortisation charge | 1,508 | 1,508 |
| As at 31 March 2019 | 9,743 | 9,743 |
| Amortisation charge | 1,520 | 1,520 |
| As at 31 March 2020 | **11,263** | **11,263** |
| Net book value | | |
| As at 31 March 2019 | 3,164 | 3,164 |
| As at 31 March 2020 | **1,648** | **1,648** |

For purpose of impairment testing of trade names with indefinite useful life and goodwill arising from consolidation, the amounts are allocated to the Oakwood Worldwide cash generating unit ("CGU") under the "Group Lodging" operating segment.

In 2020, the Group has recorded an impairment charge on goodwill of $13.3 million, thereby fully impairing its goodwill, in light of future business outlook. In 2019, the Group recorded an impairment charge on goodwill of $33.9 million in light of future business outlook.

The recoverable amount of the CGU as at the balance sheet date was determined based on value-in-use ("VIU") calculations, using financial projections covering a four-year (2019: five-year) period approved by management. Cash flows beyond the four-year (2019: five-year) period were extrapolated using the estimated growth rate of 2% (2019: 2%) which did not exceed the long-term average growth rate for the corporate housing and hospitality industry in countries which the CGU operates.

Other key assumptions included the budgeted gross profit margin for the period from 2021 to 2024 determined by management based on past performance and management's strategy for the CGU. The pre-tax discount rate applied to the VIU calculations was 18.6% (2019: 20.4%).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 24. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| Trade payables: | | | | |
| – Related parties | **3,511** | 4,263 | **–** | – |
| – Non-related parties | **38,833** | 73,746 | **708** | 662 |
| | **42,344** | 78,009 | **708** | 662 |
| Non-trade payables: | | | | |
| – Subsidiaries | **–** | – | **16,933** | 38,494 |
| – Non-related parties | **–** | – | **–** | – |
| | **–** | – | **16,933** | 38,494 |
| Interest payable | **65,337** | 66,442 | **–** | – |
| Property tax payable | **21,222** | 30,245 | **–** | – |
| Tenancy deposits | **492,956** | 503,278 | **–** | – |
| Rental received in advance | **123,432** | 128,078 | **–** | – |
| Other deposits | **72,080** | 45,196 | **–** | – |
| Other payables | **175,921** | 167,417 | **–** | – |
| Provision for Corporate and Staff Social Responsibilities ("CSSR") | **14,994** | 12,316 | **14,994** | 12,316 |
| Accrued capital expenditure | **152,476** | 87,986 | **–** | – |
| Accrued operating expenses | **667,788** | 524,476 | **279,418** | 167,810 |
| Accrued share-based compensation expenses | **71,483** | 89,853 | **49,615** | 65,989 |
| Accrued retention sum | **46,902** | 33,855 | **–** | – |
| Deferred revenue | **5,462** | 3,368 | **–** | – |
| | **1,910,053** | 1,692,510 | **344,027** | 246,115 |
| Total | **1,952,397** | 1,770,519 | **361,668** | 285,271 |
| Less: Non-current portion | **(576,952)** | (521,401) | **(194,152)** | (136,348) |
| Current portion | **1,375,445** | 1,249,118 | **167,516** | 148,923 |

(a) Non-trade payables due to subsidiaries are unsecured, interest-free and repayable on demand.

(b) Provision for CSSR relates to the Group's CSSR commitments under its published Mapletree Shaping and Sharing Programme that strives to make social impact by empowering individuals and enriching communities through education, health, environmental and arts related causes. During the financial year, the Group committed $4.0 million (2019: $5.0 million) as a provision for the Group's CSSR programme.

(c) Included in trade and other payables are accruals relating to three employee compensation schemes, one scheme being compensation that is deferred and payable over a period of time and the other two schemes being share-based compensation (Note 28). As at 31 March 2020, the accruals for the Group and the Company amounted to $387.4 million (2019: $319.8 million) and $299.5 million (2019: $205.7 million); out of which $249.4 million (2019: $209.6 million) and $194.2 million (2019: $136.3 million) are classified as non-current for the Group and the Company respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 25. DERIVATIVE FINANCIAL INSTRUMENTS

| | Group | | |
|---|---|---|---|
| | Contract notional Amount $'000 | Fair value of assets $'000 | Fair value of liabilities $'000 |
| **31 March 2020** | | | |
| Hedge accounting – Cash flow hedges | | | |
| – Interest rate swaps | **8,539,589** | **1,204** | **(260,579)** |
| – Cross currency interest rate swaps | **1,394,113** | **16,644** | **(45,793)** |
| – Currency forwards | **20,575** | **–** | **(1,104)** |
| | | **17,848** | **(307,476)** |
| Hedge accounting – Net investment hedges | | | |
| – Currency forwards | **1,085,043** | **15,152** | **(7,590)** |
| Hedge accounting – Fair value hedges | | | |
| – Interest rate swaps | **75,000** | **2,911** | **–** |
| Non-hedge accounting | | | |
| – Interest rate swaps | **150,973** | **–** | **(2,564)** |
| – Currency forwards | **8,087,572** | **10,430** | **(184,575)** |
| – Cross currency interest rate swaps | **470,242** | **15,819** | **(43,190)** |
| | | **26,249** | **(230,329)** |
| Represented by: | | | |
| – Current | | **26,576** | **(193,513)** |
| – Non-current | | **35,584** | **(351,882)** |
| | | **62,160** | **(545,395)** |
| **31 March 2019** | | | |
| Hedge accounting – Cash flow hedges | | | |
| – Interest rate swaps | 8,692,272 | 10,642 | (71,139) |
| – Cross currency interest rate swaps | 1,265,679 | 20,652 | (8,597) |
| – Currency forwards | 18,627 | 32 | (296) |
| | | 31,326 | (80,032) |
| Hedge accounting – Net investment hedges | | | |
| – Currency forwards | 1,618,488 | 3,466 | (2,802) |
| Hedge accounting – Fair value hedges | | | |
| – Interest rate swaps | 75,000 | 921 | – |
| Non-hedge accounting | | | |
| – Interest rate swaps | 261,431 | – | (1,352) |
| – Currency forwards | 4,666,892 | 16,525 | (36,797) |
| – Cross currency interest rate swaps | 439,100 | 6,710 | (29,816) |
| | | 23,235 | (67,965) |
| Represented by: | | | |
| – Current | | 22,510 | (34,321) |
| – Non-current | | 36,438 | (116,478) |
| | | 58,948 | (150,799) |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy in the financial year ended 31 March 2020

| | | Carrying amount | | Changes in fair value used for calculating hedge ineffectiveness | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contractual notional amount $'000 | Assets/ (liabilities) $'000 | Financial statement line item | Hedging instrument $'000 | Hedged item $'000 | Hedge ineffectiveness recognised in profit or loss * $'000 | Weighted average hedged rate | Maturity date |
| Group | | | | | | | | |
| **Cash flow hedges** | | | | | | | | |
| *Currency risk* | | | | | | | | |
| – Currency forwards to hedge quarterly dividend income receivable in foreign currency | 20,575 | (1,104) | Derivative financial instruments | (840) | 840 | – | SGD:1.35<br>USD: 1.00 | 2020 – 2022 |
| *Foreign currency risk/ interest rate risk* | | | | | | | | |
| – Cross currency swaps to hedge floating rate borrowings denominated in foreign currency | 1,394,113 | (29,149) | Derivative financial instruments | (29,806) | 28,901 | (905) | SGD1: GBP1.78<br>SGD1: HKD5.75<br>USD1: HKD7.79<br>SGD1: JPY81.23<br>HKD1: JPY14.28<br>0.52% – 4.65% | 2021 – 2027 |
| *Interest rate risk* | | | | | | | | |
| – Interest rate swaps to hedge floating rate borrowings | 8,539,589 | (259,375) | Derivative financial instruments | (208,879) | 207,593 | (1,286) | 0.19% – 2.86% | 2020 – 2028 |
| **Net investment hedges** | | | | | | | | |
| *Foreign exchange risk* | | | | | | | | |
| – Forward contracts to hedge net investments in foreign operations | 1,085,043 | 7,562 | Derivative financial instruments | 5,535 | (5,535) | – | JPY: 0.01219<br>USD: 1.3841<br>CNY: 0.2223<br>GBP: 1.7277<br>AUD: 0.9681<br>INR: 0.01928<br>EUR: 1.5258 | 2020 |
| – Borrowings to hedge net investments in foreign operations | – | (1,192,448) | Borrowings | (298,117) | 298,117 | – | – | – |
| **Fair value hedges** | | | | | | | | |
| *Interest rate risk* | | | | | | | | |
| – Interest rate swaps to hedge fixed rate borrowings | 75,000 | 2,911 | Derivative financial instruments | 1,990 | (1,990) | – | 3.02% | 2023 |

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "other gains – net".

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in the Group's hedging strategy in the financial year ended 31 March 2019

| | | Carrying amount | | Changes in fair value used for calculating hedge ineffectiveness | | | | |
|---|---|---|---|---|---|---|---|---|
| | Contractual notional amount $'000 | Assets/ (liabilities) $'000 | Financial statement line item | Hedging instrument $'000 | Hedged item $'000 | Hedge ineffectiveness recognised in profit or loss * $'000 | Weighted average hedged rate | Maturity date |
| Group | | | | | | | | |
| **Cash flow hedges** | | | | | | | | |
| *Currency risk* | | | | | | | | |
| – Currency forwards to hedge quarterly dividend income receivable in foreign currency | 18,627 | (264) | Derivative financial instruments | (277) | 277 | – | SGD: 1.32<br>USD: 1.00 | 2019 – 2022 |
| *Foreign currency risk/ interest rate risk* | | | | | | | | |
| – Cross currency swaps to hedge floating rate borrowings denominated in foreign currency | 1,265,679 | 12,055 | Derivative financial instruments | (13,225) | 15,018 | 1,793 | 1.54% – 4.65% | 2019 – 2025 |
| *Interest rate risk* | | | | | | | | |
| – Interest rate swaps to hedge floating rate borrowings | 8,692,272 | (60,497) | Derivative financial instruments | (65,553) | 65,179 | (374) | 0.13% – 3.89% | 2019 – 2028 |
| **Net investment hedges** | | | | | | | | |
| *Foreign exchange risk* | | | | | | | | |
| – Forward contracts to hedge net investments in foreign operations | 1,618,488 | 664 | Derivative financial instruments | (979) | 979 | – | JPY: 0.0123<br>USD: 1.3627<br>AUD: 1.0352<br>EUR: 1.5258 | 2019 |
| – Borrowings to hedge net investments in foreign operations | – | (683,945) | Borrowings | 16,054 | (16,054) | – | – | – |
| **Fair value hedges** | | | | | | | | |
| *Interest rate risk* | | | | | | | | |
| – Interest rate swaps to hedge fixed rate borrowings | 75,000 | 921 | Derivative financial instruments | 986 | (986) | – | 3.02% | 2023 |

* All hedge ineffectiveness and costs of hedging are recognised in profit and loss within "other gains – net".

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Effects of fair value hedges on hedged items are as follows:

| | Carrying amount of assets $'000 | Financial statement line item that includes hedged item | Accumulated amount for fair value adjustments $'000 |
|---|---|---|---|
| **31 March 2020** | | | |
| Group | | | |
| **Fair value hedges** | | | |
| *Interest rate risk* | | | |
| – Interest rate swaps to hedge fixed rate borrowings | **77,911** | **Borrowings** | **2,911** |
| **31 March 2019** | | | |
| Group | | | |
| **Fair value hedges** | | | |
| *Interest rate risk* | | | |
| – Interest rate swaps to hedge fixed rate borrowings | 75,921 | Borrowings | 921 |

### 26. BORROWINGS

| | Group | |
|---|---|---|
| | **2020 $'000** | 2019 $'000 |
| Current | | |
| – Loans from financial institutions (secured) (Note (a)) | **219,355** | – |
| – Loans from financial institutions (unsecured) (Note (b)) | **2,319,162** | 2,142,256 |
| – Medium term notes (unsecured) (Note (d)) | **268,897** | 144,895 |
| – Loans from non-controlling interests (unsecured) (Note (e)) | **–** | 48,549 |
| | **2,807,414** | 2,335,700 |
| Non-current | | |
| – Loans from financial institutions (secured) (Note (a)) | **1,393,241** | 4,409,799 |
| – Loans from financial institutions (unsecured) (Note (b)) | **13,225,200** | 13,211,974 |
| – Medium term notes (secured) (Note (c)) | **338,489** | – |
| – Medium term notes (unsecured) (Note (d)) | **3,676,414** | 3,354,800 |
| – Loans from non-controlling interests (unsecured) (Note (e)) | **38,736** | 20,094 |
| – Tokutei Mokuteki Kaisha ("TMK") bonds (secured) (Note (f)) | **86,305** | 77,787 |
| | **18,758,385** | 21,074,454 |
| | **21,565,799** | 23,410,154 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 26. BORROWINGS (CONTINUED)

| | | Group | |
|---|---|---|---|
| | | **2020** | 2019 |
| (a) | **Loan from financial institutions (secured)** | | |
| | ($'000) | **1,612,596** | 4,409,799 |
| | Repayable between | **2020 to 2027** | 2020 to 2027 |
| | Effective interest rate (per annum) | **0.27% to 10.10%** | 0.32% to 9.05% |
| | Re-pricing | **One to three months** | One to six months |
| | Secured by | **Certain investment properties** | Certain investment properties |
| (b) | **Loan from financial institutions (unsecured)** | | |
| | ($'000) | **15,544,362** | 15,354,230 |
| | Repayable between | **2020 to 2028** | 2019 to 2026 |
| | Effective interest rate (per annum) | **0.38% to 5.78%** | 0.15% to 5.39% |
| | Re-pricing | **One to six months** | One to six months |
| (c) | **Medium term notes (secured)** | | |
| | ($'000) | **338,489** | – |
| | Repayable between | **2026 and 2027** | – |
| | Effective interest rate (per annum) | **0.26% to 1.24%** | – |
| | Re-pricing | **Not applicable** | – |
| | Secured by | **Certain investment properties** | – |
| (d) | **Medium term notes (unsecured)** | | |
| | ($'000) | **3,945,311** | 3,499,695 |
| | Repayable between | **2020 to 2031** | 2019 to 2029 |
| | Effective interest rate (per annum) | **2.29% to 4.95%** | 2.51% to 3.96% |
| | Re-pricing | **Not applicable** | Not applicable |
| (e) | **Loans from non-controlling interests (unsecured)** | | |
| | ($'000) | **38,736** | 68,643 |
| | Repayable between | **2021 to 2024** | 2019 and 2021 |
| | Effective interest rate (per annum) | **1.93% to 4.87%** | 3.23% to 7.29% |
| | Re-pricing | **Three to six months** | Three to six months |
| (f) | **TMK bonds (secured)** | | |
| | ($'000) | **86,305** | 77,787 |
| | Repayable between | **2024 and 2025** | 2024 and 2025 |
| | Effective interest rate (per annum) | **0.39% to 0.43%** | 0.39% to 0.43% |
| | Re-pricing | **Not applicable** | Not applicable |
| | Secured by | **Certain investment properties** | Certain investment properties |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 27. DEFERRED INCOME TAXES

Movements in deferred income taxes are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| As at 1 April | **400,872** | 407,584 | **(33,197)** | (20,502) |
| Tax charged/(credited) to: | | | | |
| – Profit or loss | **95,772** | (11,970) | **(16,262)** | (12,695) |
| – Other comprehensive income | **(4,763)** | (4,382) | **–** | – |
| – Equity | **(9,508)** | (9,482) | **–** | – |
| Acquisition of subsidiaries (Note 41(a)) | **–** | 15,759 | **–** | – |
| Disposal of subsidiaries (Note 41(b)) | **(16,114)** | – | **–** | – |
| Utilisation of tax benefits | **9,482** | 9,482 | **–** | – |
| Currency translation differences | **(4,530)** | (6,119) | **–** | – |
| As at 31 March | **471,211** | 400,872 | **(49,459)** | (33,197) |

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 $259.2 million (2019: $168.3 million) as at the balance sheet date which can be carried forward and used to offset against future taxable income, subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date except for an amount of $62.6 million (2019: $66.0 million) which will expire between 2020 and 2030.

Deferred income tax liabilities have not been recognised for the withholding and other taxes that will be payable on the unremitted earnings of $109.0 million (2019: $150.9 million) of overseas subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and it is probable that such temporary differences will not reverse in the foreseeable future.

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

Group

| | Accelerated tax depreciation $'000 | Revaluation gains $'000 | Accrued revenue $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|
| Deferred income tax liabilities | | | | | |
| As at 1 April 2019 | 242,822 | 230,511 | 4,827 | 15,311 | 493,471 |
| Disposal of subsidiaries (Note 41(b)) | (12,930) | (838) | 24 | (5,676) | (19,420) |
| Charged/(credited) to: | | | | | |
| – Profit or loss | 43,175 | 20,366 | 3,819 | 24,998 | 92,358 |
| – Other comprehensive income | – | (31) | – | (4,732) | (4,763) |
| Currency translation differences | (2,286) | (2,040) | 110 | 724 | (3,492) |
| As at 31 March 2020 | **270,781** | **247,968** | **8,780** | **30,625** | **558,154** |
| As at 1 April 2018 | 207,025 | 246,464 | 975 | 10,674 | 465,138 |
| Acquisition of subsidiaries (Note 41(a)) | – | 12,709 | – | 6,254 | 18,963 |
| Charged/(credited) to: | | | | | |
| – Profit or loss | 35,637 | (20,721) | 3,888 | (408) | 18,396 |
| – Other comprehensive income | – | 577 | – | (4,959) | (4,382) |
| Currency translation differences | 160 | (8,518) | (36) | 3,750 | (4,644) |
| As at 31 March 2019 | 242,822 | 230,511 | 4,827 | 15,311 | 493,471 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 27. DEFERRED INCOME TAXES (CONTINUED)

Group (continued)

| | Perpetual securities $'000 | Provisions $'000 | Tax losses $'000 | Total $'000 |
|---|---|---|---|---|
| Deferred income tax assets | | | | |
| As at 1 April 2019 | (2,745) | (65,273) | (24,581) | (92,599) |
| Disposal of subsidiaries (Note 41(b)) | – | – | 3,306 | 3,306 |
| (Credited)/charged to: | | | | |
| – Profit or loss | – | (9,447) | 12,861 | 3,414 |
| – Equity | (9,508) | – | – | (9,508) |
| Utilisation of tax benefits | 9,482 | – | – | 9,482 |
| Currency translation differences | – | 162 | (1,200) | (1,038) |
| As at 31 March 2020 | **(2,771)** | **(74,558)** | **(9,614)** | **(86,943)** |
| | | | | |
| As at 1 April 2018 | (2,745) | (42,057) | (12,752) | (57,554) |
| Acquisition of subsidiaries (Note 41(a)) | – | – | (3,204) | (3,204) |
| Credited to profit or loss: | | | | |
| – Profit or loss | – | (21,637) | (8,729) | (30,366) |
| – Equity | (9,482) | – | – | (9,482) |
| Utilisation of tax benefits | 9,482 | – | – | 9,482 |
| Currency translation differences | – | (1,579) | 104 | (1,475) |
| As at 31 March 2019 | (2,745) | (65,273) | (24,581) | (92,599) |

Company

| | Accelerated tax depreciation $'000 | Notional interest income $'000 | Total $'000 |
|---|---|---|---|
| Deferred income tax liabilities | | | |
| As at 1 April 2019 | 2,087 | 212 | 2,299 |
| (Credited)/charged to profit or loss | (273) | 68 | (205) |
| As at 31 March 2020 | **1,814** | **280** | **2,094** |
| | | | |
| As at 1 April 2018 | 2,107 | 155 | 2,262 |
| (Credited)/charged to profit or loss | (20) | 57 | 37 |
| As at 31 March 2019 | 2,087 | 212 | 2,299 |

| | Provisions $'000 |
|---|---|
| Deferred income tax assets | |
| As at 1 April 2019 | (35,496) |
| Credited to profit or loss | (16,057) |
| As at 31 March 2020 | **(51,553)** |
| | |
| As at 1 April 2018 | (22,764) |
| Credited to profit or loss | (12,732) |
| As at 31 March 2019 | (35,496) |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 28. SHARE CAPITAL

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

| | Issued share capital | |
|---|---|---|
| | No. of shares '000 | Amount $'000 |
| Balance as at 31 March 2020 and 31 March 2019 | | |
| – 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 RPS**

The Series A RPS confer upon the holders the following rights:

**(a) Dividends**

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

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

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

**(b) Voting**

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

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

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

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

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

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

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

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

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

**(c) Redemption**

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

# NOTES TO THE FINANCIAL STATEMENTS



## 28. SHARE CAPITAL (CONTINUED)

**Share-based compensation plans of the Company**

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

**(a) Mapletree Performance Share Units ("PSU") Plan and Mapletree Restricted Share Units ("RSU") Plan**

The Mapletree PSU Plan and the Mapletree RSU Plan (collectively referred to as the "Plans") for employees (including executive director) were approved and adopted by the Board of Directors and shareholders of the Company on 4 November 2009. The first grant of award under the Plans was made in January 2010. The duration of each share plan is 10 years commencing from 4 November 2009. The Plans were approved to be extended for another 10 years commencing 4 November 2019 by the Board of Directors and shareholder on 16 May 2019 and 10 September 2019 respectively.

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

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

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

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

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

| | **2020 '000** | 2019 '000 |
|---|---|---|
| As at 1 April | **19,077** | 16,203 |
| Initial award granted | **6,024** | 4,600 |
| Adjustment for performance targets | **2,165** | (88) |
| Forfeited/cancelled | **(192)** | (261) |
| Released | **(4,970)** | (1,377) |
| As at 31 March | **22,104** | 19,077 |

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 4,969,881 (2019: 1,377,279) were cash-settled.

The number of PSU awarded and outstanding of 22,103,757 (2019: 19,077,300) is to be cash-settled. The final number of units to be released in respect of 22,103,757 (2019: 19,077,300) of outstanding PSU has not been determined.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 28. SHARE CAPITAL (CONTINUED)

**Share-based compensation plans of the Company (continued)**

**(a) Mapletree Performance Share Units ("PSU") Plan and Mapletree Restricted Share Units ("RSU") Plan (continued)**

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

| | 2020 '000 | 2019 '000 |
|---|---|---|
| As at 1 April | **4,887** | 4,857 |
| Initial award granted | **3,739** | 2,717 |
| Adjustment for performance targets | **1,067** | 103 |
| Forfeited/cancelled | **(239)** | (273) |
| Released | **(2,739)** | (2,517) |
| As at 31 March | **6,715** | 4,887 |

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 2,739,071 (2019: 2,517,209) were cash-settled.

The number of RSU awarded and outstanding of 6,714,609 (2019: 4,886,571) is to be cash-settled. The final number of units to be released in respect of 3,693,407 (2019: 2,595,745) of outstanding RSU has not been determined.

PSU and RSU that are expected to be cash-settled are measured at their current fair values as at the balance sheet date. The fair value is measured based on the independently assessed value ("IAV") of $3.37 (2019: $4.69) as at the balance sheet date.

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

The Mapletree NED RSU Plan was approved and adopted by the Board of Directors and shareholder of the Company on 4 November 2009 and is restricted to non-executive directors ("NED") of the Company. The first grant of award was made in June 2010. The duration of the Mapletree NED RSU Plan is 10 years commencing from 4 November 2009. The Plans were approved to be extended for another 10 years commencing 4 November 2019 by the Board of Directors and shareholder on 16 May 2019 and 10 September 2019 respectively.

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

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

The number of NED RSU outstanding under the Mapletree NED RSU Plan at the balance sheet date is summarised below:

| | 2020 '000 | 2019 '000 |
|---|---|---|
| As at 1 April | **230** | 214 |
| Granted | **44** | 46 |
| Exercised | **(34)** | (30) |
| As at 31 March | **240** | 230 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 28. SHARE CAPITAL (CONTINUED)

**Share-based compensation plans of the Company (continued)**

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

The NED RSU exercised during the financial year of 33,896 (2019: 30,130) were cash-settled.

The number of units awarded, vested and outstanding of 240,433 (2019: 230,240) is to be cash-settled. The fair value of the cash-settled award of NED RSU as at the balance sheet date is determined based on the net asset value (excluding perpetual securities) per share of the Group as at the balance sheet date, up to a maximum of 200% of the initial net asset value per share of the Group at the respective grant dates.

**(c) Share-based compensation plans of subsidiaries**

The respective Nomination and Remuneration Committee of the Group's wholly-owned subsidiaries, Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree North Asia Commercial Trust Management Ltd (each the "REIT management company") approved and adopted separate Performance Share Units Plan ("REIT PSU Plan") and Restricted Share Units Plan ("REIT RSU Plan") in the financial year ended 31 March 2017. This is in compliance with the MAS guideline on REIT compensation governance where the plans are linked to performance of the respective REIT. The duration of each share plan is 10 years commencing from July 2016. The first grant of award under the Plans was made in November 2016. The REIT PSU Plan and REIT RSU Plan are available to eligible employees of the subsidiaries and the plans can only be cash-settled.

The total REIT PSU Plan and REIT RSU Plan expense recognised in the profit or loss amounted to $8,625,925 (2019: $6,455,423).

### 29. PERPETUAL SECURITIES

The Group has issued the following perpetual securities:

**(a) Mapletree Treasury Services Limited**

Mapletree Treasury Services Limited ("MTSL"), a wholly-owned subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $625 million in January 2017 ("2017 Issuance") and $700 million in May 2017 ("2018 Issuance"). The perpetual securities are guaranteed by the Company.

The perpetual securities bear distributions at a rate of 4.50% per annum for the 2017 Issuance and 3.95% per annum for the 2018 Issuance, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, MTSL may elect to defer making such cumulative distributions and is not subject to any limits as to the number of times a distribution can be deferred.

These perpetual securities have no fixed redemption date and redemption is at the discretion of MTSL.

As at 31 March 2020, total incremental cost of $11.1 million (2019: $11.1 million) was recognised in equity as a deduction from proceeds.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 29. PERPETUAL SECURITIES (CONTINUED)

#### (b) Mapletree Logistics Trust

Mapletree Logistics Trust ("MLT"), a subsidiary of the Group, issued perpetual securities with an aggregate principal amount of $250 million in May 2016 ("2016 Issuance") and $180 million in September 2017 ("2017 Issuance"). In terms of distribution payments or in the event of winding up of MLT, these perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the unitholders of MLT, but junior to the claims of all other present and future creditors of MLT. MLT shall not declare distribution or pay any distributions to the unitholders, or make redemption, unless MLT declares or pays any distributions to the holders of the perpetual securities.

The perpetual securities bear distributions at a rate of 4.18% per annum for the 2016 Issuance and 3.65% per annum for the 2017 Issuance, payable semi-annually. The distribution will be payable semi-annually at the discretion of MLT and will be non-cumulative.

These perpetual securities have no fixed redemption date and redemption is at the discretion of MLT.

As at 31 March 2020, total incremental cost of $3.8 million (2019: $3.8 million) was recognised in equity as a deduction from proceeds.

The Group is considered to have no contractual obligations to call its principal or to pay any distributions and the perpetual securities of MTSL and MLT do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Disclosure and Presentation. Both instruments are presented within equity and distributions are treated as dividends.

### 30. HEDGING RESERVE

The movements in hedging reserve by risk category are as follows:

| | Group | | |
|---|---|---|---|
| | Interest rate risk $'000 | Interest rate risk/ Foreign exchange risk $'000 | Total $'000 |
| **31 March 2020** | | | |
| Beginning of financial year | **(46,246)** | **10,491** | **(35,755)** |
| Fair value loss | **(210,767)** | **(29,675)** | **(240,442)** |
| Tax on fair value loss | **722** | **4,010** | **4,732** |
| | **(256,291)** | **(15,174)** | **(271,465)** |
| Reclassification to profit or loss, as hedged item has affected profit or loss | | | |
| – Interest expense | **13,857** | **(11,581)** | **2,276** |
| – Foreign exchange | **–** | **44,300** | **44,300** |
| Share of hedging reserve from associated companies | **(9,411)** | **–** | **(9,411)** |
| Less: Non-controlling interests | **68,860** | **(2,634)** | **66,226** |
| End of financial year | **(182,985)** | **14,911** | **(168,074)** |
| **31 March 2019** | | | |
| Beginning of financial year | 5,645 | 13,724 | 19,369 |
| Fair value loss | (75,357) | (39,290) | (114,647) |
| Tax on fair value loss | 1,443 | 3,516 | 4,959 |
| | (68,269) | (22,050) | (90,319) |
| Reclassification to profit or loss, as hedged item has affected profit or loss | | | |
| – Interest expense | 517 | (157) | 360 |
| – Foreign exchange | – | 26,560 | 26,560 |
| Share of hedging reserve from associated companies | (2,112) | – | (2,112) |
| Less: Non-controlling interests | 23,618 | 6,138 | 29,756 |
| End of financial year | (46,246) | 10,491 | (35,755) |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 31. CONTINGENT LIABILITIES

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Unsecured bankers' guarantees given in respect of operations | **57,973** | 42,629 | 2,073 | 9,457 |

### 32. COMMITMENTS

**(a) Capital commitments**

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Development expenditure contracted for | **906,514** | 634,430 |
| Capital expenditure contracted for | **90,735** | 144,278 |
| Commitment in respect of equity participation in financial asset, at FVOCI | **24,596** | – |
| Commitments in respect of equity participation in associated companies | **3,591** | 14,135 |

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

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

As at 31 March 2019, the future minimum lease receivables under non-cancellable operating leases contracted but not recognised as receivables are as follows:

| | Group |
|---|---|
| | 2019 |
| | $'000 |
| Not later than one year | 2,656,334 |
| Between one and five years | 5,562,957 |
| Later than five years | 2,884,140 |
| | 11,103,431 |

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

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 April 2019. The undiscounted lease payments from the operating leases to be received after 31 March 2019 are disclosed in Note 22.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 32. COMMITMENTS (CONTINUED)

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

The Group leases land and property spaces under non-cancellable operating lease agreements.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

| | Group 2019 $'000 |
|---|---|
| Not later than one year | 89,916 |
| Between one and five years | 105,292 |
| Later than five years | 163,049 |
| | 358,257 |

Not included above are certain operating leases in Singapore, China and Malaysia with annual land rent that the Group is committed to pay to the respective country's land authorities. The operating leases are non-cancellable with remaining lease terms of up to 88 years as at the balance sheet date and are subjected to revision of land rent at periodic intervals. Based on the prevailing land rent rates, these operating leases as at 31 March 2019 approximated $15.0 million.

As disclosed in Note 2.2, the Group has adopted SFRS(I) 16 on 1 April 2019. These lease payments have been recognised as ROU assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low-value leases.

### 33. FINANCIAL RISK MANAGEMENT

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

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

#### (a) Market risk

*(i) Foreign exchange risk*

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

Foreign exchange risk is measured through a forecast of highly probable foreign currency expenditure. The objective of the hedges is to minimise the volatility of the Group's currency cost of highly probable transactions. In order to achieve this objective, the Group entered into cash flow hedges for the highly probable purchase transactions. The foreign exchange forwards are denominated in the same currency as the highly probable purchase transactions; therefore the hedge ratio is 1:1.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Market risk (continued)

*(i) Foreign exchange risk (continued)*

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

There was no hedge ineffectiveness for the financial year ended 31 March 2020 in relation to the cash flow and net investment hedges.

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

| | SGD<br>$'000 | USD<br>$'000 | RMB<br>$'000 | HKD<br>$'000 | JPY<br>$'000 | MYR<br>$'000 | AUD<br>$'000 | GBP<br>$'000 | EUR<br>$'000 | VND<br>$'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **31 March 2020** | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | |
| Cash and cash equivalents | 541,292 | 378,686 | 457,002 | 50,307 | 466,718 | 51,605 | 11,148 | 100,014 | 144,065 | 150,928 |
| Trade and other receivables (including intercompany balances) | 13,715,353 | 8,862,601 | 7,363,857 | 27,740 | 1,237,081 | 228,615 | 205,299 | 3,165,444 | 3,496,295 | 63,658 |
| Deposits | 13,108 | 3,089 | 12,251 | 2,013 | 599 | 2,808 | 9,883 | 419 | 178 | 3,418 |
| | 14,269,753 | 9,244,376 | 7,833,110 | 80,060 | 1,704,398 | 283,028 | 226,330 | 3,265,877 | 3,640,538 | 218,004 |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 7,105,459 | 4,846,394 | 1,804,552 | 2,451,877 | 2,300,384 | 402,579 | 448,904 | 1,476,748 | 500,638 | 34,308 |
| Lease liabilities | 144,865 | 94,682 | 9,568 | 1,690 | 749 | 136 | 328 | 6,044 | – | 52,987 |
| Trade and other payables (including intercompany balances) | 15,558,948 | 8,783,013 | 7,631,753 | 159,143 | 1,101,595 | 187,754 | 209,428 | 3,165,330 | 3,484,296 | 141,609 |
| | 22,809,272 | 13,724,089 | 9,445,873 | 2,612,710 | 3,402,728 | 590,469 | 658,660 | 4,648,122 | 3,984,934 | 228,904 |
| **Net financial (liabilities)/assets** | (8,539,519) | (4,479,713) | (1,612,763) | (2,532,650) | (1,698,330) | (307,441) | (432,330) | (1,382,245) | (344,396) | (10,900) |
| Net financial liabilities/(assets) denominated in the respective entities' functional currencies | 7,548,222 | 6,763,231 | 3,730,485 | 2,498,076 | 1,926,502 | 635,765 | 460,588 | 2,156,777 | 1,063,603 | 23,556 |
| Notional amount of currency forwards and cross currency swaps not designated as net investment hedge | 904,107 | (3,550,734) | (1,791,662) | 37,757 | (191,710) | (151,291) | – | (838,924) | (1,138,726) | – |
| Loans designated as net investment hedge | 39,262 | 998,615 | – | – | – | – | – | 115,219 | 189,615 | – |
| **Currency exposures on financial (liabilities)/assets** | **(47,928)** | **(268,601)** | **326,060** | **3,183** | **36,462** | **177,033** | **28,258** | **50,827** | **(229,904)** | **12,656** |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Market risk (continued)

*(i) Foreign exchange risk (continued)*

| | SGD $'000 | USD $'000 | RMB $'000 | HKD $'000 | JPY $'000 | MYR $'000 | AUD $'000 | GBP $'000 | EUR $'000 | VND $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **31 March 2019** | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | |
| Cash and cash equivalents | 264,339 | 532,223 | 438,832 | 39,686 | 215,175 | 25,411 | 30,113 | 92,918 | 119,252 | 101,342 |
| Trade and other receivables (including intercompany balances) | 11,719,541 | 11,464,789 | 5,005,462 | 653,993 | 1,107,702 | 330,878 | 426,011 | 2,762,980 | 3,067,847 | 51,172 |
| Deposits | 12,820 | 20,910 | 5,364 | 1,938 | 24,906 | 12,256 | – | 1,756 | 122 | 3,272 |
| | 11,996,700 | 12,017,922 | 5,449,658 | 695,617 | 1,347,783 | 368,545 | 456,124 | 2,857,654 | 3,187,221 | 155,786 |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 5,943,895 | 6,877,797 | 1,611,501 | 2,995,381 | 1,869,022 | 305,483 | 1,021,279 | 1,733,495 | 1,607,290 | – |
| Trade and other payables (including intercompany balances) | 12,443,177 | 11,310,012 | 5,115,033 | 826,079 | 1,064,667 | 247,180 | 432,947 | 2,744,914 | 3,035,633 | 89,419 |
| | 18,387,072 | 18,187,809 | 6,726,534 | 3,821,460 | 2,933,689 | 552,663 | 1,454,226 | 4,478,409 | 4,642,923 | 89,419 |
| **Net financial (liabilities)/assets** | (6,390,372) | (6,169,887) | (1,276,876) | (3,125,843) | (1,585,906) | (184,118) | (998,102) | (1,620,755) | (1,455,702) | 66,367 |
| Net financial liabilities/(assets) denominated in the respective entities' functional currencies | 5,320,350 | 7,400,987 | 2,519,192 | 3,348,154 | 1,728,557 | 372,656 | 952,621 | 1,907,071 | 351,971 | (60,701) |
| Notional amount of currency forwards and cross currency swaps not designated as net investment hedge | 889,361 | (2,194,127) | (973,673) | (98,473) | (122,605) | (167,555) | – | (385,229) | (2,423) | – |
| Loans designated as net investment hedge | 152,220 | 675,591 | – | – | – | – | 65,830 | 113,930 | 423,515 | – |
| **Currency exposures on financial (liabilities)/assets** | (28,441) | (287,436) | 268,643 | 123,838 | 20,046 | 20,983 | 20,349 | 15,017 | (682,639) | 5,666 |

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk (continued)

*(i) Foreign exchange risk (continued)*

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

The Group's exposures to currency risk mainly relate to USD exposure for VND functional currency entities, RMB exposure for SGD functional currency entities and EUR exposure for Polish Złoty ("PLN") functional currency entities (2019: USD exposure for VND functional currency entities, RMB exposure for SGD functional currency entities and EUR exposure for PLN functional currency entities).

If the Group's USD, RMB and EUR exposures change against the respective functional currencies by 3.0% (2019: 4.0%) with all other variables including tax rate being held constant, the effects arising from the Group's net currency exposures will be as follows:

| | Group Increase/(decrease) | |
|---|---|---|
| | **2020** Profit after tax **$'000** | 2019 Profit after tax $'000 |
| USD against VND | | |
| – Strengthened | **(10,665)** | (14,763) |
| – Weakened | **10,665** | 14,763 |
| RMB against SGD | | |
| – Strengthened | **8,119** | 8,919 |
| – Weakened | **(8,119)** | (8,919) |
| EUR against PLN | | |
| – Strengthened | **(7,018)** | (25,226) |
| – Weakened | **7,018** | 25,226 |

*(ii) Price risk*

The Group is not exposed to significant equity price risk as it does not hold any significant equity securities which are classified as financial assets, at FVOCI.

*(iii) Cash flow and fair value interest rate risk*

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

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

The Group enters into interest rate swaps with the same critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans; therefore the hedged item is identified as a proportion of the outstanding amount of the borrowings. As all critical terms matched during the financial year, the economic relationship was 100% effective.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

**(a) Market risk (continued)**

*(iii) Cash flow and fair value interest rate risk (continued)*

*Hedge effectiveness*

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item and so, a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness has occurred due to changes in the critical terms of either the interest rate swaps or the borrowings.

If the interest rates increase or decrease by 0.50% (2019: 0.50%) per annum with all other variables including tax rate being held constant, the profit after tax would have been lower by $33.3 million (2019: $28.5 million) and higher by $33.3 million (2019: $28.5 million) as a result of higher and lower interest expense on these borrowings respectively. Other comprehensive income would have been higher by $66.0 million (2019: $64.6 million) and lower by $68.0 million (2019: $67.6 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 the counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with acceptable credit quality counterparties.

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

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

| | Company | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Corporate guarantees provided to financial institutions on loans of subsidiaries | **9,170,245** | 13,941,195 |

Bank deposits, deposits placed with a subsidiary, receivables from subsidiaries, associated companies and joint venture and other receivables are subject to immaterial credit losses.

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (continued)

*(i) Trade receivables*

In measuring the expected credit losses, trade debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables. Based on the above, the Group's credit risk exposure for trade receivables as at 31 March 2020 and 31 March 2019 has been assessed to be immaterial.

Trade receivables are assessed to be in default when one or more events that have a detrimental impact on the estimated future cash flows of that trade debtor have occurred, such as but not limiting to initiation of bankruptcy proceedings or a breach of contract. Trade receivables are impaired (net of security deposits and bankers' guarantees) when the counterparty fails to make payments in accordance with the contractual terms of agreement. Trade receivables are written off when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2020 and 31 March 2019 is set out as follows:

| | Past due | | |
|---|---|---|---|
| | Less than 3 months $'000 | More than 3 months $'000 | Total $'000 |
| **31 March 2020** | | | |
| Gross carrying amount: | | | |
| – Past due but not impaired | **33,126** | **8,473** | **41,599** |
| – Past due and impaired | **–** | **10,035** | **10,035** |
| | **33,126** | **18,508** | **51,634** |
| Less: Allowance for impairment | | | **(9,925)** |
| Net carrying amount | | | **41,709** |
| **31 March 2019** | | | |
| Gross carrying amount: | | | |
| – Past due but not impaired | 45,151 | 5,215 | 50,366 |
| – Past due and impaired | – | 7,939 | 7,939 |
| | 45,151 | 13,154 | 58,305 |
| Less: Allowance for impairment | | | (7,586) |
| Net carrying amount | | | 50,719 |

The Group's movements in credit loss allowance for trade receivables are as follows:

| | **2020 $'000** | 2019 $'000 |
|---|---|---|
| As at 1 April | **7,586** | 856 |
| Acquisition of subsidiaries | **–** | 661 |
| Allowance made | **5,422** | 6,117 |
| Allowance utilised | **(2,038)** | (161) |
| Allowance reversed | **(100)** | (7) |
| Disposal | **(1,139)** | – |
| Currency translation differences | **194** | 120 |
| As at 31 March | **9,925** | 7,586 |

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

**(b) Credit risk (continued)**

*(ii) Financial guarantees*

The Company has issued financial guarantees to financial institutions for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

**(c) Liquidity risk**

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

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

| | Less than 1 year $'000 | Between 1 and 5 years $'000 | Over 5 years $'000 |
|---|---|---|---|
| Group | | | |
| **31 March 2020** | | | |
| Trade and other payables | **1,186,676** | **499,765** | **71,725** |
| Borrowings and interest payables | **3,440,066** | **14,802,964** | **5,330,681** |
| Lease liabilities | **51,774** | **156,354** | **231,163** |
| | **4,678,516** | **15,459,083** | **5,633,569** |
| **31 March 2019** | | | |
| Trade and other payables | 1,053,508 | 427,666 | 91,457 |
| Borrowings and interest payables | 2,846,394 | 14,661,710 | 8,528,089 |
| | 3,899,902 | 15,089,376 | 8,619,546 |
| Company | | | |
| **31 March 2020** | | | |
| Trade and other payables | **167,516** | **161,250** | **32,902** |
| Lease liabilities | **7,515** | **1,420** | **–** |
| | **175,031** | **162,670** | **32,902** |
| **31 March 2019** | | | |
| Trade and other payables | 148,923 | 117,952 | 18,396 |

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 balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 33. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Liquidity risk (continued)

| | Less than 1 year $'000 | Between 1 and 5 years $'000 | Over 5 years $'000 |
|---|---|---|---|
| Group | | | |
| **31 March 2020** | | | |
| Net-settled interest rate swaps and cross currency swaps | | | |
| – Net cash outflows | **52,255** | **116,028** | **21,812** |
| Gross-settled currency forwards and cross currency swaps | | | |
| – Receipts | **(7,213,704)** | **(919,088)** | **(26,613)** |
| – Payments | **7,398,413** | **977,807** | **25,257** |
| **31 March 2019** | | | |
| Net-settled interest rate swaps and cross currency swaps | | | |
| – Net cash outflows | 25,121 | 46,880 | 5,203 |
| Gross-settled currency forwards and cross currency swaps | | | |
| – Receipts | (3,793,162) | (529,492) | (17,036) |
| – Payments | 3,834,270 | 581,380 | 14,608 |

#### (d) Capital risk

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

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

As at 31 March 2020 and 31 March 2019, the Group is required by the financial institutions to maintain a consolidated tangible net worth of not less than $1.0 billion.

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

#### (e) Financial instruments by category

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

| | Group $'000 | Company $'000 |
|---|---|---|
| **31 March 2020** | | |
| Financial assets, at FVPL | **110,902** | **–** |
| Financial assets, at FVOCI | **69,973** | **–** |
| Financial assets, at amortised cost | **3,262,517** | **9,152,269** |
| Financial liabilities, at FVPL | **545,395** | **–** |
| Financial liabilities, at amortised cost | **23,700,905** | **370,603** |
| **31 March 2019** | | |
| Financial assets, at FVPL | 152,501 | – |
| Financial assets, at FVOCI | 69,564 | – |
| Financial assets, at amortised cost | 2,832,702 | 7,486,684 |
| Financial liabilities, at FVPL | 150,799 | – |
| Financial liabilities, at amortised cost | 25,051,229 | 285,271 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 34. FAIR VALUE MEASUREMENTS

**(a) Fair value hierarchy**

In addition to the disclosure in Note 14, the following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

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

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

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

| | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| Group | | | | |
| **31 March 2020** | | | | |
| Financial assets | | | | |
| Derivative financial instruments | **–** | **62,160** | **–** | **62,160** |
| Financial assets, at FVPL | **–** | **–** | **48,742** | **48,742** |
| Financial assets, at FVOCI | **–** | **–** | **69,973** | **69,973** |
| | **–** | **62,160** | **118,715** | **180,875** |
| Financial liabilities | | | | |
| Derivative financial instruments | **–** | **(545,395)** | **–** | **(545,395)** |
| Non-financial assets | | | | |
| Completed investment properties | **–** | **–** | **46,017,023** | **46,017,023** |
| Investment properties under redevelopment | **–** | **–** | **354,113** | **354,113** |
| Properties under development | **–** | **–** | **1,129,656** | **1,129,656** |
| Property, plant and equipment | **–** | **–** | **143,399** | **143,399** |
| | **–** | **–** | **47,644,191** | **47,644,191** |
| **31 March 2019** | | | | |
| Financial assets | | | | |
| Derivative financial instruments | – | 58,948 | – | 58,948 |
| Financial assets, at FVPL | – | – | 93,553 | 93,553 |
| Financial assets, at FVOCI | – | – | 69,564 | 69,564 |
| | – | 58,948 | 163,117 | 222,065 |
| Financial liabilities | | | | |
| Derivative financial instruments | – | (150,799) | – | (150,799) |
| Non-financial assets | | | | |
| Completed investment properties | – | – | 46,762,901 | 46,762,901 |
| Investment properties under redevelopment | – | – | 212,693 | 212,693 |
| Properties under development | – | – | 804,970 | 804,970 |
| Property, plant and equipment | – | – | 140,604 | 140,604 |
| | – | – | 47,921,168 | 47,921,168 |

## 34. FAIR VALUE MEASUREMENTS (CONTINUED)

### (b) Valuation techniques

*(i) Financial assets and financial liabilities at fair value*

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

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

The fair values of financial assets, at FVPL and FVOCI are classified as Level 3 and are determined using the present value of the estimated future cash flows and net asset values of the investee companies respectively.

*(ii) Non-financial assets at fair value*

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

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

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

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

- Residual value – Investment properties under redevelopment or properties under development are valued, as a starting point, using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed as at the balance sheet 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 properties are determined by external independent valuers. The valuations of significant properties are presented to and discussed with the Audit and Risk Committee as well as the Board of Directors.

Management is of the view that the valuation methods and estimates adopted and considered by professional valuers were based on information available and reflective of market conditions as at 31 March 2020. Certain valuation reports have highlighted that given the future uncertainty arising from COVID-19, the valuation of these properties subsequent to the balance sheet date may be subjected to more fluctuation than during normal market conditions. Accordingly, management will continue to monitor the situation.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 34. FAIR VALUE MEASUREMENTS (CONTINUED)

**(b) Valuation techniques (continued)**

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

The carrying values of trade and other receivables, other assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair values of borrowings approximate their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rates except for the fixed rate medium term notes of $3.7 billion (2019: $3.2 billion) whose fair value amounted to $3.7 billion (2019: $3.3 billion), determined from adjusted quoted prices.

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

The movements of non-financial assets classified under Level 3 for completed investment properties and investment properties under redevelopment are presented in Note 18, properties under development in Note 19 and leasehold land and building under property, plant and equipment in Note 20.

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

| Description | Valuation techniques | Key unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|
| **Completed investment properties** | Income capitalisation | Capitalisation rate<br>• Singapore: 3.5% to 9.5% *(2019: 3.6% to 9.0%)*<br>• Others: 3.8% to 11.0% *(2019: 3.8% to 10.5%)* | The higher the capitalisation rate, the lower the fair value. |
| | Direct comparison | Adjusted price<br>• Singapore: $26,942 psm *(2019: $24,374 psm)*<br>• Others: $372 to $14,857 psm *(2019: $333 to $13,055 psm)* | The higher the adjusted price, the higher the fair value. |
| | Discounted cash flows | Discount rate<br>• Singapore: 6.5% to 12.5% *(2019: 6.8% to 12.0%)*<br>• Others: 3.4% to 15.5% *(2019: 3.4% to 15.0%)* | The higher the discount rate, the lower the fair value. |
| | | Terminal yield<br>• Singapore: 4.3% to 7.6% *(2019: 4.4% to 7.6%)*<br>• Others: 3.7% to 11.0% *(2019: 3.8% to 10.5%)* | The higher the terminal yield, the lower the fair value. |
| **Investment properties under redevelopment** | Residual value | Gross development valuation<br>• Singapore: $18,014 to $27,165 psm *(2019: $3,443 to $17,572 psm)* | The higher the gross development valuation, the higher the fair value. |
| | | Development cost<br>• Singapore: $3,831 to $4,162 psm *(2019: $541 to $4,103 psm)* | The higher the development cost, the lower the fair value. |

# NOTES TO THE FINANCIAL STATEMENTS
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 34. FAIR VALUE MEASUREMENTS (CONTINUED)

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

| Description | Valuation techniques | Key unobservable inputs | Relationship of unobservable inputs to fair value |
|---|---|---|---|
| **Properties under development** | Income capitalisation | Capitalisation rate<br>• Others: Nil<br>*(2019: 10.0% to 13.5%)* | The higher the capitalisation rate, the lower the fair value. |
| | Direct comparison | Adjusted price<br>• Others: $53 to $195 psm<br>*(2019: $48 to $395 psm)* | The higher the adjusted price, the higher the fair value. |
| | Residual value | Gross development valuation<br>• Others: $601 to $1,221 psm<br>*(2019: $534 to $774 psm)* | The higher the gross development valuation, the higher the fair value. |
| | | Development cost<br>• Others: $545 to $960 psm<br>*(2019: $414 to $693 psm)* | The higher the development cost, the lower the fair value. |
| **Leasehold land and building classified as property, plant and equipment** | Income capitalisation | Capitalisation rate<br>• Others: 8.8%<br>*(2019: 8.8%)* | The higher the capitalisation rate, the lower the fair value. |

## 35. 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.

## 36. 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 | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Leasing and other services to related corporations | **57,637** | 50,593 |
| Purchase of goods/services from related corporations | **18,526** | 17,828 |
| Fees from provision of fund management services to associated companies | **195,278** | 186,352 |
| Dividend income from associated companies | **165,838** | 267,455 |
| Interest expense to related corporations | **83,107** | 68,712 |
| Trustee's fees to Trustee | **2,410** | 2,189 |
| Acquisition of properties from an associated company | **–** | 988,273 |
| Acquisition of company from an associated company | **320,704** | – |
| Return of capital from associated companies | **375,659** | 359,836 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 36. RELATED PARTY TRANSACTIONS (CONTINUED)

**(b) Key management personnel compensation**

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Salaries and other short-term employee benefits | **25,982** | 39,839 |
| Post-employment benefits – Contribution to CPF | **219** | 206 |
| Share-based compensation expenses | **28,335** | 33,125 |
| | **54,536** | 73,170 |

Salaries and other short-term employee benefits disclosed include bonus allocated to the key management personnel for the financial year. Bonus that were accrued but not allocated will be disclosed in the corresponding financial years when allocated.

**(c) PSU and RSU granted to key management personnel**

During the financial year, the Group granted 7,003,352 PSU and 4,215,165 RSU (2019: 5,373,419 PSU and 3,003,394 RSU) to the key management personnel of the Group under the share-based compensation plans as set out in Note 28. 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 2020 granted by the Group to the key management personnel of the Group were 24,213,156 and 7,243,169 (2019: 19,890,707 and 5,336,931) respectively.

### 37. DIVIDENDS

| | Group and Company | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Final exempt (one-tier) redeemable preference share dividends paid in respect of the prior financial year of $1,000 (2019: $1,000) per redeemable preference share | **15,700** | 15,700 |
| Final exempt (one-tier) ordinary share dividend paid in respect of the prior financial year of 16.8208 cents (2019: 13.1338 cents) per ordinary share | **256,400** | 200,200 |
| | **272,100** | 215,900 |

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 (2019: $1,000) per redeemable preference share amounting to $15.7 million (2019: $15.7 million); and

– Final exempt (one-tier) ordinary share dividend of 15.3250 cents (2019: 16.8208 cents) per ordinary share amounting to $233.6 million (2019: $256.4 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 2021.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 38. SEGMENT REPORTING

The operating segments are determined based on the segment reports reviewed by the Executive Management Committee ("EMC") for strategic and operational decision-making purposes. The EMC comprises the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Corporate Officer, Group Chief Development Officer, Head of Operations System & Control and the heads of each business unit.

The EMC considers the business from both a geographic and business segment perspective. In the current financial year, the organisation of the Group's business units and segment reports received by the EMC was changed to reflect the Group's business activities and operations. The comparative segment information presented has been restated to conform to the presentation in the current financial year.

The following summary describes the operations from the business segment perspective:

- **South East Asia and Group Retail**
  Developer/investor/manager of primarily commercial properties (and select industrial and business park properties) in Singapore and South East Asia

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

- **China and India**
  Developer/investor/manager of properties in China and India

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

- **Group Lodging**
  Developer/investor/manager of properties in the United Kingdom, the United States and Canada, including Oakwood

- **Europe and USA**
  Developer/investor/manager of properties in Europe, the United Kingdom, the United States and Canada

- **Singapore-listed REITs**
  Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust

- **Others**
  Investor of data centres in the United States and corporate departments

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 38. SEGMENT REPORTING (CONTINUED)

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

| | South East Asia and Group Retail $'000 | Logistics Development $'000 | China and India $'000 | Australia and North Asia $'000 | Group Lodging $'000 | Europe and USA $'000 | Singapore-listed REITs $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | | | |
| **Revenue** | **382,115** | **110,773** | **157,533** | **227,731** | **674,647** | **646,116** | **1,735,669** | **95,427** | **4,030,011** |
| **Segmental results** | | | | | | | | | |
| Earnings/(losses) before revaluation gains/(losses), interest and tax | 252,727 | 49,144 | 151,723 | 139,857 | 22,417 | 401,186 | 1,437,204 | (212,107) | 2,242,151 |
| Net revaluation gain on investment properties and properties under development | 255,403 | 170,983 | 122,639 | 32,778 | 56,326 | 101,414 | 414,278 | 104,620 | 1,258,441 |
| Share of profit in associated companies and joint ventures | 12,155 | 24 | 55,679 | 67,510 | 17,532 | 91,991 | – | 62,479 | 307,370 |
| | **520,285** | **220,151** | **330,041** | **240,145** | **96,275** | **594,591** | **1,851,482** | **(45,008)** | **3,807,962** |
| Finance costs – net | – | – | – | – | – | – | (277,253) | (411,814) | (689,067) |
| Tax expense | – | – | – | – | – | – | (108,578) | (214,148) | (322,726) |
| **Profit for the financial year** | | | | | | | | | **2,796,169** |
| **Segment assets** | **3,991,524** | **3,389,420** | **2,663,873** | **1,367,628** | **3,993,872** | **5,438,673** | **30,909,021** | **3,857,428** | **55,611,439** |
| **Segment liabilities** | **382,423** | **271,257** | **189,318** | **73,363** | **280,223** | **329,701** | **12,671,570** | **10,879,241** | **25,077,096** |
| **Other segment items** | | | | | | | | | |
| Depreciation and amortisation | **(18,240)** | **(215)** | **(481)** | **(534)** | **(25,404)** | **(2,755)** | **(1,665)** | **(9,783)** | **(59,077)** |

| | Singapore $'000 | South East Asia (excluding Singapore) $'000 | China (excluding Hong Kong SAR) $'000 | Hong Kong SAR $'000 | Japan $'000 | Europe $'000 | The United States $'000 | Australia $'000 | Rest of the World $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | | | | |
| **Geography information** | | | | | | | | | | |
| **Revenue** | **1,358,746** | **213,848** | **327,451** | **317,894** | **257,184** | **402,053** | **962,399** | **110,949** | **79,487** | **4,030,011** |
| **Non-current assets** | **18,276,463** | **2,240,724** | **6,105,419** | **7,767,059** | **2,969,785** | **4,285,100** | **7,606,105** | **777,174** | **1,488,193** | **51,516,022** |
| **Total assets** | **19,501,119** | **2,805,760** | **6,959,606** | **7,806,807** | **3,869,142** | **4,717,434** | **7,845,283** | **499,665** | **1,606,623** | **55,611,439** |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 38. SEGMENT REPORTING (CONTINUED)

| | South East Asia and Group Retail $'000 | Logistics Development $'000 | China and India $'000 | Australia and North Asia $'000 | Group Lodging $'000 | Europe and USA $'000 | Singapore-listed REITs $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | | | |
| **Revenue** | 412,789 | 91,770 | 123,914 | 189,904 | 882,618 | 484,628 | 1,683,013 | 79,512 | 3,948,148 |
| **Segmental results** | | | | | | | | | |
| Earnings/(losses) before revaluation gains/ (losses), interest and tax | 249,447 | 53,462 | 98,384 | 139,141 | 42,342 | 300,551 | 1,333,371 | (216,724) | 1,999,974 |
| Net revaluation gain on investment properties and properties under development | 225,848 | 37,241 | 16,156 | 323,359 | 38,189 | 273,251 | 1,093,831 | 52,770 | 2,060,645 |
| Share of profit in associated companies and joint ventures | 10,224 | 130 | 127,490 | 32,752 | 28,936 | – | – | – | 199,532 |
| | 485,519 | 90,833 | 242,030 | 495,252 | 109,467 | 573,802 | 2,427,202 | (163,954) | 4,260,151 |
| Finance costs – net | – | – | – | – | – | – | (253,451) | (354,338) | (607,789) |
| Tax expense | – | – | – | – | – | – | (124,857) | (69,875) | (194,732) |
| **Profit for the financial year** | | | | | | | | | 3,457,630 |
| **Segment assets** | 5,070,000 | 2,694,593 | 1,622,260 | 3,924,786 | 3,472,318 | 9,707,510 | 27,227,823 | 1,269,460 | 54,988,750 |
| **Segment liabilities** | 294,278 | 228,577 | 351,187 | 142,248 | 151,877 | 265,244 | 10,577,164 | 14,629,735 | 26,640,310 |
| **Other segment items** | | | | | | | | | |
| Depreciation and amortisation | (15,889) | (98) | (63) | (270) | (9,444) | (566) | (1,116) | (6,231) | (33,677) |

| | Singapore $'000 | South East Asia (excluding Singapore) $'000 | China (excluding Hong Kong SAR) $'000 | Hong Kong SAR $'000 | Japan $'000 | Europe $'000 | The United States $'000 | Australia $'000 | Rest of the World $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | | | | |
| **Geography information** | | | | | | | | | | |
| **Revenue** | 1,243,344 | 180,799 | 323,574 | 382,182 | 199,883 | 312,538 | 1,076,514 | 114,198 | 115,116 | 3,948,148 |
| **Non-current assets** | 17,405,253 | 1,893,192 | 4,458,598 | 7,444,649 | 2,544,137 | 3,958,330 | 8,992,607 | 1,522,672 | 972,278 | 49,191,716 |
| **Total assets** | 17,994,635 | 2,338,610 | 5,670,982 | 9,217,037 | 3,065,918 | 4,463,027 | 9,756,751 | 1,447,768 | 1,034,022 | 54,988,750 |

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

The EMC assesses the performance of the operating segment based on a measure of earnings before interest and tax plus share of operating profits in associated companies and joint ventures. The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs. Excluding the Singapore-listed REITs, borrowings, finance income and finance expenses are not allocated to segments but grouped under "others" (which includes corporate departments) as such liabilities and expenses are centrally monitored at the corporate level.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 39. 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 2020 % | 2019 % |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Mapletree Dextra 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 |
| The HarbourFront Pte Ltd | Property owner | Singapore | **100** | 100 |
| **Held by subsidiaries** | | | | |
| Beijing Yinhe Yongtai Business Management Co., Ltd. | Property owner | China | **100** | 100 |
| Adamas Builders Private Limited [1, 4] | Property owner | India | **100** | 43 |
| Faery Estates Private Limited | Property owner | India | **100** | 100 |
| HarbourFront Centre Pte. Ltd. | Property owner | Singapore | **100** | 100 |
| HarbourFront Two Pte Ltd | Property owner | Singapore | **100** | 100 |
| Oakwood Worldwide (Asia) Pte. Ltd. | Management services | Singapore | **100** | 100 |
| Hardman Investments Unit Trust | Property owner | Jersey/ The United Kingdom | **100** | 100 |
| Green Park Reading No. 1 LLP | Property owner | The United Kingdom | **100** | 100 |
| Pine (UK) Holdings Ltd | Management services | The United Kingdom | **100** | 100 |
| Oakwood Worldwide (US) LP | Management services | The United States | **100** | 100 |
| Boulevard City LLC | Property owner | The United States | **100** | 100 |
| Chester Loft LLC | Property owner | The United States | **100** | 100 |
| South Sixth Office LLC | Property owner | The United States | **100** | 100 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 39. 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 2020 % | 2019 % |
|---|---|---|---|---|
| **Held by subsidiaries** (continued) | | | | |
| Nova Asset (Dublin) Limited [1] | Property owner | Ireland | **100** | – |
| Saigon Boulevard Complex Company Limited | Property owner | Vietnam | **100** | 100 |
| Mapletree Redwood Data Centre Trust | Property owner | Singapore/ The United States | **72** | 73 |
| Mapletree Rosewood Data Centre Trust [1] | Property owner | Singapore/ The United States | **65** | – |
| Mapletree Logistic Trust [2] – Real Estate Investment Trust | Property owner | Singapore | **30** | 32 |
| Mapletree North Asia Commercial Trust [2] – Real Estate Investment Trust | Property owner | Singapore | **36** | 33 |
| Mapletree Commercial Trust [2] – Real Estate Investment Trust | Property owner | Singapore | **32** | 34 |
| Mapletree Industrial Trust [2] – Real Estate Investment Trust | Property owner | Singapore | **29** | 32 |

#### (b) Associated companies

| Name of companies | Principal activities | Country of incorporation/ Place of business | 2020 % | 2019 % |
|---|---|---|---|---|
| **Held by subsidiaries** | | | | |
| Mapletree China Opportunity Fund II Feeder LP | Investment holding and property owner | Cayman Islands/ China | **36** | 36 |
| MGSA Private Trust | Investment holding and property owner | Singapore/ The United States/ The United Kingdom | **34** | 33 |
| MUSEL Private Trust [3] | Investment holding and property owner | Singapore/ The United States/ Europe | **33** | 64 |
| MASCOT Private Trust [1] | Investment holding and property owner | Singapore/ Australia | **24** | – |
| Guangzhou Xingjian Xingsui Real Estate Co., Ltd [5] | Property owner | China | **65** | 65 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 39. LISTING OF SIGNIFICANT ENTITIES IN THE GROUP (CONTINUED)

#### (c) Joint venture

| Name of companies | Principal activities | Country of incorporation/ Place of business | Effective interest held by the Group 2020 % | Effective interest held by the Group 2019 % |
|---|---|---|---|---|
| **Held by subsidiary** | | | | |
| Blue Sling Ventures LLC [1, 6] | Investment holding and property owner | The United States | **52** | – |

1 Incorporated/acquired during the financial year
2 Control of the REITs without majority equity interest and voting power (Note 17)
3 A stapled trust comprising Great Cities Logistics (US) Trust and Great Cities Logistics (EU) Trust
4 Adamas Builders Private Limited was accounted for as an associated company in the prior financial year.
5 The Group has accounted for this investment as an associated company as key decisions on relevant activities are made by an independent board which the Group does not have majority or control.
6 The Group has accounted for this investment as a joint venture as the Group has joint control over the relevant activities with the joint venture partner.

### 40. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The Group's subsidiaries with material non-controlling interests ("NCI") comprise the following:

| | Group 2020 $'000 | Group 2019 $'000 |
|---|---|---|
| MLT | **3,200,738** | 2,907,198 |
| MCT | **3,917,881** | 3,038,573 |
| MIT | **2,520,050** | 2,078,372 |
| MNACT | **3,003,318** | 3,068,837 |
| Others | **47,405** | 902,971 |
| | **12,689,392** | 11,995,951 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 40. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

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

**Summarised statements of financial position**

| | MLT $'000 | MCT $'000 | MIT $'000 | MNACT $'000 |
|---|---|---|---|---|
| **31 March 2020** | | | | |
| **Assets** | | | | |
| – Current assets | **223,414** | **73,262** | **69,556** | **228,129** |
| – Non-current assets | **8,827,959** | **8,933,811** | **5,118,327** | **8,358,545** |
| **Liabilities** | | | | |
| – Current liabilities | **(428,536)** | **(264,797)** | **(101,028)** | **(541,890)** |
| – Non-current liabilities | **(3,605,346)** | **(2,955,328)** | **(1,526,734)** | **(3,314,154)** |
| **Net assets** | **5,017,491** | **5,786,948** | **3,560,121** | **4,730,630** |
| **Net assets attributable to NCI** | **3,200,738** | **3,917,881** | **2,520,050** | **3,003,318** |
| **31 March 2019** | | | | |
| **Assets** | | | | |
| – Current assets | 170,715 | 54,198 | 75,338 | 194,329 |
| – Non-current assets | 7,907,621 | 7,046,567 | 4,531,726 | 7,626,037 |
| **Liabilities** | | | | |
| – Current liabilities | (251,802) | (130,958) | (180,110) | (413,205) |
| – Non-current liabilities | (3,159,346) | (2,353,828) | (1,379,428) | (2,817,006) |
| **Net assets** | 4,667,188 | 4,615,979 | 3,047,526 | 4,590,155 |
| **Net assets attributable to NCI** | 2,907,198 | 3,038,573 | 2,078,372 | 3,068,837 |

**Summarised statements of comprehensive income**

| | MLT $'000 | MCT $'000 | MIT $'000 | MNACT $'000 |
|---|---|---|---|---|
| **2020** | | | | |
| **Revenue** | **490,777** | **482,825** | **405,858** | **354,478** |
| Profit before income tax | **446,478** | **543,097** | **367,199** | **161,718** |
| Income tax expense | **(51,176)** | **(2)** | **(56)** | **(37,452)** |
| Profit after income tax | **395,302** | **543,095** | **367,143** | **124,266** |
| Other comprehensive (loss)/income | **(12,304)** | **(24,633)** | **(31,466)** | **84,914** |
| **Total comprehensive income** | **382,998** | **518,462** | **335,677** | **209,180** |
| **Total comprehensive income allocated to NCI** | **254,838** | **342,459** | **234,310** | **139,198** |
| **Dividends paid to NCI** | **(204,071)** | **(185,147)** | **(154,583)** | **(182,114)** |
| **2019** | | | | |
| **Revenue** | 454,263 | 443,893 | 376,101 | 408,687 |
| Profit before income tax | 499,341 | 582,302 | 271,126 | 695,834 |
| Income tax expense | (42,811) | – | – | (61,422) |
| Profit after income tax | 456,530 | 582,302 | 271,126 | 634,412 |
| Other comprehensive loss | (538) | (2,279) | (5,182) | (17,603) |
| **Total comprehensive income** | 455,992 | 580,023 | 265,944 | 616,809 |
| **Total comprehensive income allocated to NCI** | 302,670 | 382,221 | 181,464 | 410,564 |
| **Dividends paid to NCI** | (169,396) | (173,220) | (174,191) | (187,451) |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 40. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

**Summarised statement of cash flows**

| | MLT<br>$'000 | MCT<br>$'000 | MIT<br>$'000 | MNACT<br>$'000 |
|---|---|---|---|---|
| **2020** | | | | |
| Cash generated from operations | **397,951** | **370,216** | **286,556** | **286,076** |
| Income tax (paid)/refunded | **(28,686)** | **–** | **330** | **(20,308)** |
| Net cash generated from operating activities | **369,265** | **370,216** | **286,886** | **265,768** |
| Net cash used in investing activities | **(515,808)** | **(904,239)** | **(429,425)** | **(476,250)** |
| Net cash generated from financing activities | **191,615** | **550,761** | **155,953** | **221,300** |
| Net increase in cash and cash equivalents | **45,072** | **16,738** | **13,414** | **10,818** |
| Cash and cash equivalents at beginning of financial year | **103,314** | **49,119** | **40,010** | **175,168** |
| Effects of currency translation on cash and cash equivalents | **2,641** | **–** | **12** | **2,222** |
| Cash and cash equivalents at end of financial year | **151,027** | **65,857** | **53,436** | **188,208** |
| **2019** | | | | |
| Cash generated from operations | 366,688 | 337,042 | 244,703 | 337,351 |
| Income tax (paid)/refunded | (12,586) | – | 245 | (28,379) |
| Net cash generated from operating activities | 354,102 | 337,042 | 244,948 | 308,972 |
| Net cash used in investing activities | (1,168,569) | (21,471) | (369,652) | (736,530) |
| Net cash generated from/(used in) financing activities | 817,878 | (311,544) | 127,295 | 426,365 |
| Net increase/(decrease) in cash and cash equivalents | 3,411 | 4,027 | 2,591 | (1,193) |
| Cash and cash equivalents at beginning of financial year | 101,217 | 45,092 | 37,419 | 177,981 |
| Effects of currency translation on cash and cash equivalents | (1,314) | – | – | (1,620) |
| Cash and cash equivalents at end of financial year | 103,314 | 49,119 | 40,010 | 175,168 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 41. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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

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

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Cash and cash equivalents | **31,527** | 110,204 |
| Trade and other receivables | **32,077** | 200,209 |
| Other assets | **5,046** | 591,249 |
| Investment properties (Note 18) | **691,110** | 2,880,150 |
| Properties under development (Note 19) | **–** | 3,291 |
| Property, plant and equipment (Note 20) | **29** | – |
| Trade and other payables | **(43,201)** | (241,191) |
| Net deferred income tax liabilities (Note 27) | **–** | (15,759) |
| Borrowings | **(76,677)** | (1,520,056) |
| Net assets acquired/Total purchase consideration | **639,911** | 2,008,097 |
| Less: | | |
| Cash of subsidiaries acquired | **(31,527)** | (110,204) |
| Deposits paid in prior financial year | **(3,169)** | (22,253) |
| **Cash outflow on acquisition** | **605,215** | 1,875,640 |

**(b) Disposal of subsidiaries**

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Cash and cash equivalents | **341,510** | 8,977 |
| Trade and other receivables | **134,844** | 261 |
| Other assets | **23,971** | – |
| Assets of disposal group held for sale | **1,720,248** | – |
| Investment properties (Note 18) | **7,348,944** | 36,639 |
| Property under development (Note 19) | **4,409** | – |
| Property, plant and equipment (Note 20) | **896** | – |
| Trade and other payables | **(206,756)** | (4,316) |
| Liabilities directly associated with disposal group held for sale | **(734,653)** | – |
| Borrowings | **(4,346,601)** | (38,239) |
| Lease liabilities | **(11,534)** | – |
| Deferred income tax liabilities (Note 27) | **(16,114)** | – |
| Non-controlling interests | **(1,078,521)** | – |
| Net assets disposed | **3,180,643** | 3,322 |
| Equity interest retained in associated companies | **(1,220,419)** | – |
| Gain on disposal (Note 5) | **15,938** | 21,425 |
| Release of foreign currency translation reserve | **1,170** | 44 |
| | **1,977,332** | 24,791 |
| Less: | | |
| Cash of subsidiaries disposed | **(341,510)** | (8,977) |
| **Cash inflow on disposal** | **1,635,822** | 15,814 |

# NOTES TO THE FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

## 42. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and interpretations to existing standards that have been published and are relevant for the Group's financial year beginning on or after 1 April 2020 and which the Group has not early adopted:

**(a) Amendments to SFRS(I) 3 *Business Combination* (effective for annual periods beginning on or after 1 January 2020)**

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 January 2020. Early application is permitted.

The Group does not expect any significant impact arising from applying these amendments.

**(b) Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020)**

In December 2019, the ASC issued "Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform" (effective 1 January 2020). The amendments provide exceptions that allow entities to continue hedge accounting for existing hedge relationships under the assumption that Inter Bank Offer Rate (IBOR) based hedged cash flows are not altered as a result of the IBOR Reform.

These amendments are issued due to global reform of interest rate benchmarks such as IBORs. IBORs are key reference rates for financial instruments such as derivatives, loans and bonds. Regulators in a number of jurisdictions, including Singapore, are in the midst of phasing out IBORs and replacing them with more suitable alternative reference rates. There is currently uncertainty around the timing and precise nature of these changes.

For the current financial year, the Group has determined that hedge relationships that include IBORs as a hedged risk continue to qualify for hedge accounting without early adoption of the amendments. The Group does not expect any significant impact from applying these amendments. The Group continues to monitor the developments of IBOR reform and will assess the impact as further information becomes available.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

### 43. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Given the uncertainty over the length and severity of COVID-19 in the respective countries in which the Group operates in and ongoing developments in the respective countries' outbreak measures, the financial outlook for the Group may be affected.

Since the COVID-19 outbreak, the Group has and continues to assess and implement appropriate relief measures to support tenants in meeting the challenges posed by the outbreak.

Based on SFRS(I) 1-10 *Events after the Reporting Period*, management has assessed that these developments are non-adjusting events after the balance sheet date. The Group is closely monitoring the development of COVID-19 and its impact on the Group's operations. In view of the continuing development and uncertainty of the COVID-19 situation, the full financial impact of the COVID-19 outbreak on the Group cannot be reasonably determined at this juncture.

### 44. 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 10 June 2020.

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