

MESSAGE FROM **THE CHAIRMAN**

Mr Edmund Cheng
Chairman



Financial Year 2021/2022 (FY21/22) was another year of headwinds due to the ongoing Covid-19 pandemic and the Russia-Ukraine conflict which started earlier this year. The escalating energy prices and supply chain disruptions have also contributed to higher inflation worldwide. One other key event has been the interest rate hikes in the United States (US) and other central banks.

In Singapore, while we have seen the Covid-19 pandemic progress to a more manageable phase and life slowly returning to normal, its repercussions continue to reverberate on companies globally. We cannot take for granted that we are out of the woods yet and must remain vigilant and adaptable in the face of uncertainty.

What has been important, however, is Mapletree's resilience and positive approach to meeting these abovementioned challenges. At the very core of this is putting our investors, tenants and stakeholders at the centre of all that we do.

FINANCIAL PERFORMANCE

Arriving at the third year of our third set of Five-Year Plan, I am heartened to announce that we have once again taken significant strides amid challenging circumstances. The Group recorded S\$1,964.9 million for its profit after tax and minority interests (PATMI)¹ in FY21/22, an increase of 6.2% year-on-year (y-o-y). Total owned and managed assets under management (AUM) also rose to S\$78.7 billion, a rise of 18.7% from a year ago. The Group witnessed a 4.6% y-o-y increase in revenue² to S\$2,861.1 million.

To deliver high returns consistently, Mapletree has taken advantage of its robust business model that creates value through its core capabilities in real estate development, investment as well as capital and property management. To that end, the Group has continually acquired and assembled a portfolio of high-potential assets for investment, development and asset management.

With the worldwide easing of Covid-19 measures and the gradual fading of mandatory work-from-home arrangements, high-value office space is rising in demand among resilient sectors such as professional services and technology, media and telecommunications. In September and November 2021, the Group syndicated a portfolio of five freehold Class A office assets into Mapletree US Income Commercial Trust (MUSIC) and a portfolio of 155 freehold logistics properties located across 19 states in the US into Mapletree US Logistics Private Trust (MUSLOG). Both have an initial AUM of US\$1.3 billion (~S\$1.8 billion)³ and US\$3.3 billion (~S\$4.5 billion)³ respectively. The managed AUM for the Group rose to 74% with the launch of MUSIC and MUSLOG, and the acquisition of assets by the real estate investment trusts (REITs) during the year. Coupled with the assets under Mapletree US & EU Logistics Private Trust (MUSEL) – syndicated in 2019 – the Group now manages more than 350 logistics facilities in the US with an AUM of S\$10.7 billion, covering a total net lettable area (NLA) of 6.5 million square metres (sqm).



Occupied by one of the world's largest third-party logistics players, 3955 East Holmes Road boasts 1 million square feet of NLA and is located close to the Memphis International Airport in the US.

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Meanwhile, given the continued headwinds in the global economy, persistent supply chain disruptions led to higher inventory levels and demand for warehousing. The Group continues to deepen its development capabilities, particularly in the logistics sector. Logistics remains the Group's largest asset class at 37% of overall AUM, an increase of 6% from the previous financial year. With the acquisition of logistics and office assets in the US during the year, the US has overtaken Singapore to become the largest contributor to Mapletree's AUM, accounting for 29% of the Group's AUM, an increase of 8% from the previous financial year.

Further validating our logistics footprint across the globe, the Group in FY21/22 completed 21 logistics parks in China and added 1.6 million sqm of NLA. As at 31 March 2022, Mapletree operates 81 logistics projects spanning 53 cities in China, with a total NLA of 5.9 million sqm. A total of 44 new projects are under development, including 17 new plots of land tendered in FY21/22.

The student accommodation sector, which has rapidly become a favourable asset class, has seen vibrant growth in recent years. With more countries reopening their borders to welcome international students, the Group expanded its student accommodation portfolio by acquiring seven high-quality assets across the United Kingdom (UK) and the US at a total transaction value of S\$772 million. This brings Mapletree's student accommodation portfolio to 57 assets with over 24,000 beds located across 38 cities in the UK, the US and Canada. The new student accommodation assets are in Maryland, the US, and five UK cities, Bristol, Exeter, Leeds, Nottingham and Reading.

In Singapore, Mapletree completed the restoration and adaptive reuse of

St James Power Station (SJPS) and launched the SJPS Heritage Trail and Gallery. This initiative can be traced back to 2018. Back then, Mapletree had embarked on restoration works for SJPS. This was focused on preserving the historical architectural elements of the iconic monument while integrating them with modern building technologies. The building is currently leased to global technology giant Dyson as its global headquarters and research centre. Today, the Heritage Trail and Gallery treats visitors to an immersive experience of the history of SJPS and the evolution of HarbourFront Precinct, showcasing restored maritime and industrial relics, as well as an interactive digital art display.

Looking ahead, Mapletree must continue leveraging its accelerating business momentum with a robust portfolio in place and yet exercise prudence with ongoing uncertainties in mind. By maintaining its current financial posture, the Group is set to successfully cap off its third Five-Year Plan and secure a strong foothold in real estate sectors across key global markets.

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Station Street is a 321-bed student accommodation property located in close proximity to Nottingham Trent University in the UK.

TAKING THE LEAD ON SUSTAINABILITY

In response to growing climate change challenges, Mapletree strengthened its sustainability strategy in FY21/22. Underpinned by the Group's commitment to achieve consistently high returns, Mapletree remains committed to building good relationships with all stakeholders through (i) supporting the transition to a low carbon economy, (ii) safeguarding the health and safety of our employees and stakeholders, (iii) focusing on diversity and inclusion of our workforce as well as supporting the communities in which we operate and (iv) maintaining high ethical standards.

To date, the Group has obtained more than 70 sustainable building certifications and has secured approximately S\$3.7 billion in green financing since FY17/18. In line with this refreshed strategy, the Group will develop a "Net-Zero by 2050" roadmap and embed environmental, social and governance considerations into the real estate life cycle, from investments, developments to operations.

INVESTING IN COMMUNITIES

Mapletree continues to deepen its commitment to the community by setting aside S\$1 million for every S\$500 million of PATMI¹ generated to fund its Corporate Social Responsibility (CSR) programmes. In FY21/22, Mapletree committed approximately S\$2.3 million to such causes.

We sponsored the 37th Singapore Bird Race for the third consecutive year and jointly organised the event alongside BirdLife International and Nature Society (Singapore), which was supported by National Parks Board. A total of 109 teams participated in six different categories. This year's race enabled participants to revisit Singapore's rich biodiversity at a time when overseas travel was challenging.



More than 80 participants attended the MBC Public Art Trail tours in December 2021 and March 2022.

With Mapletree Business City (MBC) located in the heart of the Greater Southern Waterfront, the goal is to establish MBC as a focal point for birdwatching in the Southern Corridor in the near future. Finally, the race also helped raise the profile of migratory birds of prey, a group of migratory species typically not well known to many.

As part of the Group's ongoing efforts to bring the arts to the community, Mapletree brought back the crowd's favourite musical concert by The TENG Ensemble at the amphitheatre in VivoCity, Singapore in February 2022. Following a two-year hiatus, the concert also featured Mapletree-TENG Academy scholars 22-year-old Kee Teng Hwee and 11-year-old Ee Anzhi, who displayed their skills in front of an appreciative 900-strong audience over two evenings. A safely-distanced Scholar Presentation Ceremony was also part of the programme to recognise the recent batches of Mapletree-TENG Academy scholars. Established in 2018, the scholarship programme aims to nurture the next generation of Chinese Orchestra musicians in Singapore and covers the full tuition fees of instrumental lessons,

grading examinations and course materials for two years.

As part of similar efforts, Mapletree organised art trails and a drawing workshop to provide opportunities for sharing, sketching and exploring in December 2021 and March 2022. Mapletree commissioned the MBC Public Art Trail, which features 14 permanent art installations and artefacts by local and international award-winning artists, including four art installations curated by NTU Centre for Contemporary Art Singapore. Participants gained insights into how the sights and sounds of a landscape and the presence of art can make a difference to the environment.

Since 2016, Mapletree has supported at-risk youths via its Mapletree Youth Resilience Programme (MYRP). MYRP provides financial support to youths determined to continue studying despite their challenging socio-economic circumstances. The programme has since helped 31 youths and as at 31 March 2022, Mapletree has committed over S\$240,000 of financial support for the youths through MYRP.

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Mapletree welcomed the Year of the Tiger with a special Chinese classical music performance by The TENG Ensemble on 11 and 12 February 2022 at VivoCity, Singapore.

During the year, we continued to support the SOTA Primary 6 Art Competition's Top 50 Finalists with a two-week exhibition at VivoCity, Singapore in September 2021.

In addition, we announced a S\$2.5 million donation to Singapore Management University to enhance the Mapletree Real Estate Programme.

This year, a record 33 teams submitted their proposals for the Mapletree Staff CSR Programme to support beneficiaries. Of the 33 teams, 19 received S\$5,000 in seed funding to carry out their activities in 11 markets, namely Singapore, Amsterdam, Australia, China, Hong Kong SAR, Japan, Poland, South Korea, the UK, the US and Vietnam. The activities ranged from litter picking, supporting food banks, upgrading classrooms at educational institutions to providing care packages for the community.

The Staff Green Initiative was launched this year as part of Mapletree's drive for sustainability. More than 540 staff across 13 markets worldwide adopted environmentally friendly practices in the office, ranging from meat-free days to tree planting and a microgreens workshop. We hope that this ground-up project will encourage employees to

adopt environmentally conscious habits at work and in their day-to-day lives.

BOARD RENEWAL AND ACKNOWLEDGEMENTS

On behalf of the Board, I extend my deepest appreciation to Mr Paul Ma Kah Woh, Mr Tsang Yam Pui and Mr Wong Meng Meng, who stepped down in FY21/22, with each of them having more than 15 years of significant contributions.

Mr Wong had been on the board since July 2003 and chaired Mapletree Industrial Trust (MIT). He was highly supportive of MIT's venture into the Hi-Tech segment back in FY13/14 and its data centre expansion in FY17/18. Today, MIT's portfolio comprises more than 16% in Hi-Tech buildings and more than half in data centres, owing to Mr Wong's foresight.

Mr Ma, who was appointed in April 2004, had a unique distinction of chairing the boards of our two REITs – Mapletree Logistics Trust and Mapletree North Asia Commercial Trust. In the same vein, Mr Tsang, who had served on the board since February 2006 and chaired Mapletree Commercial Trust, provided invaluable advice to the Group from his

perspective as a former Commissioner of the Hong Kong Police Force.

On this note, we also welcome Ms Cheo Hock Kuan and Mr Ng Keng Hooi as incoming members of the Mapletree Investments Pte Ltd Board. They join us with a wealth of financial management and sustainability experience as well as insurance industry knowledge.

I would like to end this note by expressing my appreciation to the Board members of the Mapletree Group of companies and recognising their advice, counsel and support, which have helped the Group attain its consistent and strong performance year after year.

In conclusion, we remain cautiously optimistic that the worst of the Covid-19 pandemic is behind us. The same resilience, aptitude and tenacity that saw us through the last two years will keep us grounded as we take on the challenges of the year ahead. More importantly, I am confident that Mapletree can strike the right balance by tapping on the opportunities of tomorrow to bring greater returns for our stakeholders, investors and partners.

Edmund Cheng
Chairman

- 1 PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
- 2 Revenue is adjusted to exclude incentive fee income and residential revenue. They are not deemed to be the core business activities for the Group.
- 3 S\$ exchange rate as at date of fund inception.