UNLOCKING OPPORTUNITIES

Shaping the Future

mapletree

MAPLETREE
INVESTMENTS PTE LTD

ANNUAL REPORT
2019/2020

UNLOCKING OPPORTUNITIES
Shaping the Future

ABOUT THE COVER

The five arrows on the cover represent how Mapletree is forging ahead with its third Five-Year Plan, paving the way for greater growth.

The design is inspired by the colourful Millennium Tiles that have become iconic of Mapletree Business City II. The visually arresting stainless steel tiles are also low-maintenance, durable and cost-effective, reflecting Mapletree's ethos of delivering both quality and value in a sustainable manner.

CONTENTS

REVENUE[1]
S$3,877 MILLION

PATMI
S$1,778.5 MILLION

TOTAL AUM
S$60.5 BILLION

TOTAL GROSS FLOOR AREA (SQUARE METRES)
~19.4 MILLION

EXPANSIVE PORTFOLIO ACROSS
13 MARKETS

TOTAL AMOUNT SET ASIDE TO FUND CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (SINCE FY10/11)
S$28.4 MILLION

1 Revenue is adjusted to exclude incentive fee income and residential revenue. They are not deemed to be the core business activities for the Group.

PERFORMANCE HIGHLIGHTS

The financial year ended 31 March 2020 (FY19/20) saw Mapletree embarking on its third Five-Year Plan for its next stage of progress. Despite a challenging landscape, the Group successfully secured a strong foothold in real estate sectors across key global markets.

Overall, Mapletree's revenue for FY19/20 rose to S$3,877 million[1], with profit after tax and minority interests (PATMI)[2] registering a total of S$1,778.5 million. Mapletree's assets under management (AUM) grew to S$60.5 billion in FY19/20, with about 70% being third-party AUM. Mapletree also delivered a five-year average return on equity (ROE)[3] of 12.9% and return on invested equity (ROIE)[4] of 13.8% in FY19/20.

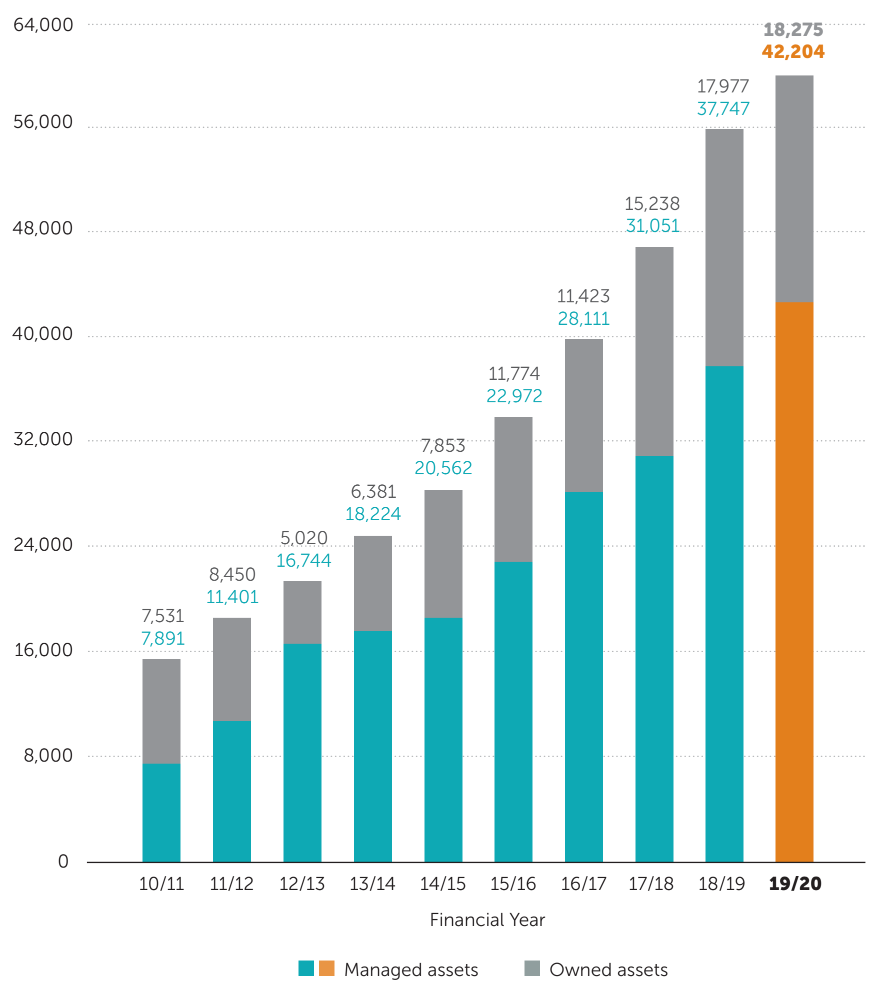
TOTAL ASSETS UNDER MANAGEMENT (AUM)

(FY19/20)

S$60.5 BILLION

AUM

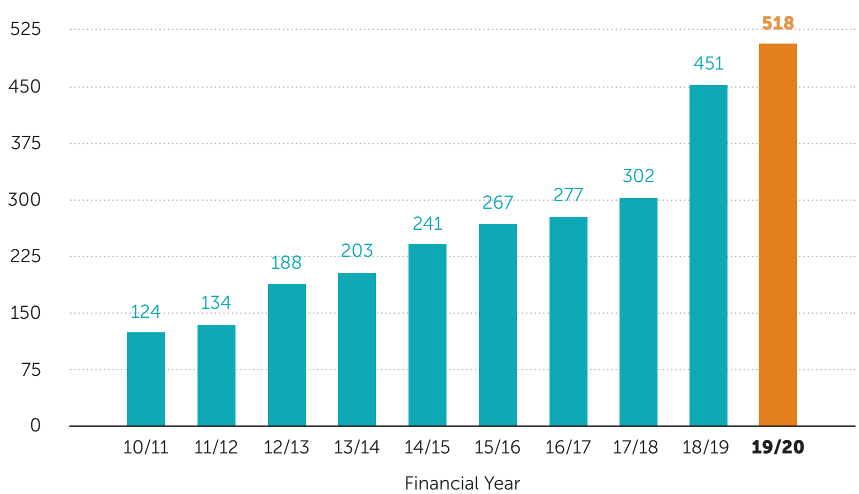
(S$ million)



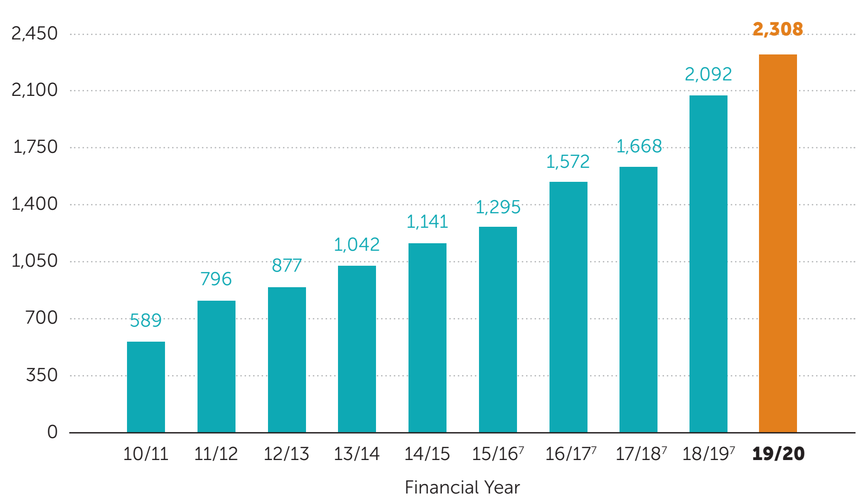
PATMI[2]
(FY19/20)

S$1,778.5 MILLION

FEE INCOME[5]
(S$ million)



EBIT + SOA[6]
(S$ million)



FY19/20 – ROE[3]

11.2%

Average Five-Year ROE[3]
(From FY15/16 - FY19/20)

12.9%

FY19/20 – ROIE[4]

21.6%

Average Five-Year ROIE[4]
(From FY15/16 - FY19/20)

13.8%

1 Revenue is adjusted to exclude incentive fee income and residential revenue. They are not deemed to be the core business activities for the Group.

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

3 ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.

4 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

5 Includes REIT management fees.

6 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

7 EBIT + SOA in prior years are restated as incentive fee and residential profits are excluded from EBIT + SOA. They are not deemed to be the core business activities for the Group.

* *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and losses and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.*

REAL ESTATE CAPABILITIES

Mapletree's business model creates value through our core capabilities in real estate development, investment, capital and property management. In FY19/20, the Group continued to broaden its presence by successfully making acquisitions of data centre, logistics, office and student accommodation assets in Australia, China, Europe, India, the United Kingdom and the United States.

DEVELOPER

Create Value

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

INVESTOR

Capitalise on Opportunities

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

CAPITAL MANAGER

Grow third-party assets under management

We employ a disciplined capital management framework to deliver consistent and high returns to our investors, demonstrated by the successful execution and performance of our four REITs and six private equity funds[1].

PROPERTY MANAGER

Steward of Assets

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

1 Mapletree India China Fund was fully realised in April 2020.

FORTIFYING FOUNDATIONS

FOCUSING ON THE DISCIPLINED EXECUTION OF OUR BUSINESS MODEL

CORPORATE OVERVIEW

Mapletree Investments Pte Ltd (Mapletree) is a leading real estate development, investment, capital and property management company headquartered in Singapore. Mapletree invests in real estate sectors globally in geographical markets with excellent growth potential, to provide healthy and stable returns to its investors.

Since its inception in 2000, Mapletree has been actively investing in income-yielding assets around the world. By incorporating its key strengths as a developer, investor, capital and property manager, Mapletree steadily grew a global portfolio of income-producing assets. In line with Mapletree's strategy to establish new income streams beyond Asia and diversify its business, the Group ventured into highly developed markets of Australia, Europe, the United Kingdom (UK) and the United States (US).

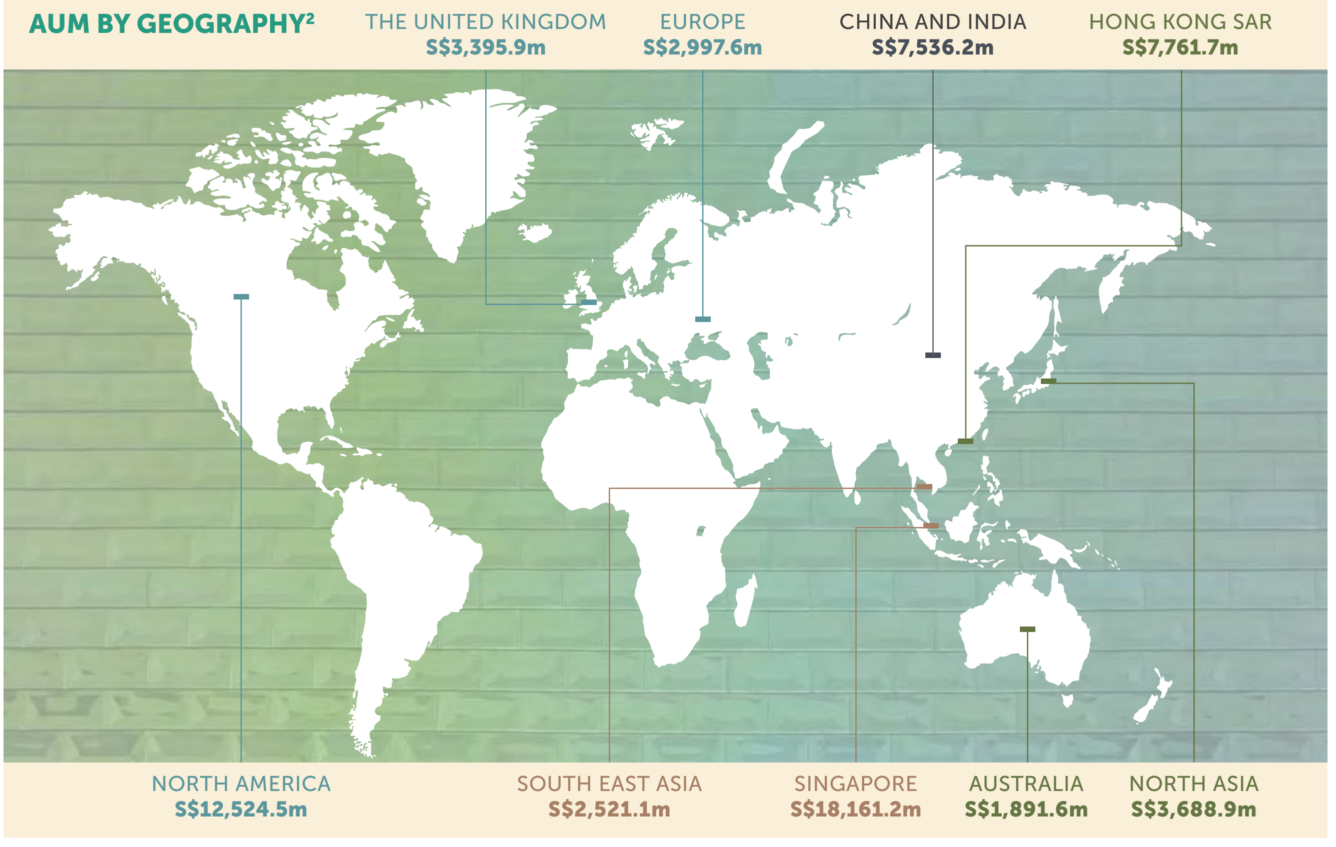
In Financial Year 2019/2020, the Group continued to broaden its presence by successfully making acquisitions of data centre, logistics, office and student accommodation assets in Australia, China, Europe, India, the UK and the US.

As at 31 March 2020, Mapletree has S$60.5 billion of assets under management (AUM). Over S$42.2 billion, or about 69.8% of the Group's AUM are held under four of its Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds[1]. Mapletree strives to maintain an optimal capital structure that provides the Group with the financial flexibility to pursue new investment opportunities.

Mapletree's properties span across 13 markets, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. Mapletree owns and manages a diversified portfolio of data centre, industrial, lodging, logistics, mixed-use, office, residential and retail assets.

To support its global operations, including Oakwood, Mapletree has more than 2,770 employees operating from our extensive network of offices.

AUM BY GEOGRAPHY[2]



OUR BUSINESS SEGMENTS

South East Asia & Group Retail
Developer/investor/manager of commercial properties (and select industrial properties) in Singapore and properties in Southeast Asia

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

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

Capital Management Platform
Private real estate funds:
- Mapletree India China Fund (MIC Fund)[1]
- Mapletree China Opportunity Fund II (MCOF II)

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

Capital Management Platform
Private real estate funds:
- MJLD
- Mapletree Australia Commercial Private Trust (MASCOT)

Group Lodging
Developer/investor/manager of global lodging properties in North America, the UK and Oakwood

Capital Management Platform
Private real estate fund:
- Mapletree Global Student Accommodation Private Trust (MGSA)

Europe and USA
Developer/investor/manager of properties in Europe, North America and the UK

Capital Management Platform
Private real estate fund:
- Mapletree US & EU Logistics Private Trust (MUSEL)

SINGAPORE-LISTED REITS

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

Mapletree Industrial Trust
Manager of industrial properties and data centres in Singapore and North America

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

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

1 MIC Fund was fully realised in April 2020.

2 Geography covers regions in accordance with Mapletree's business and capital management platforms.

MESSAGE FROM THE CHAIRMAN

Mr Edmund Cheng

OVERCOMING OBSTACLES

Mapletree Investments steadfastly navigated Financial Year 2019/2020 (FY19/20) with a cautious approach. Strong headwinds and escalating geopolitical risks had an impact on our business. Some of these events caused a kneejerk reaction affecting economies around the world; including the ongoing trade war between the United States (US) and China, as well as the Brexit negotiations that are still in progress and the months of civil unrest in Hong Kong SAR.

Towards the end of FY19/20, the Covid-19 pandemic added a layer of complexity to the already challenging global business landscape. Singapore has not been spared. Nonetheless, I am greatly encouraged by the hard work put in by our frontline workers and the various measures implemented by our Government. I am equally proud that during these events, Mapletree has continued to support our tenants and the community in the 13 markets where we operate. I will elaborate more on each of these in detail below.

Against this challenging backdrop, Mapletree recorded S$1,778.5 million for its profit after tax and minority interests (PATMI)[1] in FY19/20, the first year of the Group's third Five-Year Plan. Mapletree's total owned and managed assets under management (AUM) also grew to S$60.5 billion, a rise of 8.5% from FY18/19. The Group witnessed a 1% year-on-year increase in revenue to S$3,877 million[2]. Meanwhile, the Group's EBIT + SOA[3] registered a 10.3% growth to S$2,308.1 million, and the return on invested equity (ROIE)[4] rose significantly to 21.6% from 10.4% in FY18/19.

With this encouraging set of numbers, we are in a good position to forge ahead and complete the current Five-Year Plan – albeit with some challenges presented by the Covid-19 pandemic and other macroeconomic risks.

As we look back from our humble beginnings as a Singapore-focused real estate company, we have rapidly grown our business operations regionally and globally, as a result of well-calibrated and strategically executed moves by our Board of Directors, senior management and employees. On this note, I record my heartfelt thanks to all who have played a part in broadening our geographical footprint and steadily increasing our returns for a slate of investors including our public-listed real estate investment trusts (REITs) and private funds.

Artist's impression of The Sorting Office in Dublin, Ireland.

GROWING GLOBALLY

Since expanding beyond Asia in 2005, Mapletree's global presence includes Australia, Europe (France, Germany, Hungary, Ireland, Italy, the Netherlands, Poland and Spain), the United Kingdom (UK) and the US.

In May 2019, Mapletree acquired its first commercial asset in Poland. West Station has two office buildings comprising nearly 69,000 square metres (sqm) of net lettable area (NLA). Strategically located next to Warszawa Zachodnia railway station, a regional transportation hub in Warsaw, the fully occupied asset enjoys excellent access to international and national rail and bus connections.

In June 2019, the Group entered into a forward contract to acquire The Sorting Office in Dublin, Ireland. This breakthrough into a new market is in line with Mapletree's strategy to increase its global footprint by diversifying earnings in scalable and developed markets. With approximately 19,787 sqm of NLA, The Sorting Office is strategically located in the heart of Dublin's Silicon Docklands, the South Docks of the Docklands Strategic Development Zone. Being a Grade A office building in a thriving business district, it appeals to a diverse mix of tenants in the technology, financial, legal and professional services sectors.

Ramping up the Group's private capital management platform to accelerate business growth, Mapletree successfully closed its Australian private trust, Mapletree Australia Commercial Private Trust (MASCOT) in November 2019 at about A$654 million (~S$592.4 million) in total fund equity. MASCOT owns 10 Grade A office assets positioned in key Australian gateway cities – Sydney,

MESSAGE FROM THE CHAIRMAN

Acclaimed British-Nigerian contemporary artist Yinka Shonibare CBE, RA, in a candid conversation with Chairman of Mapletree, Mr Edmund Cheng at MBC, Singapore. The talk was moderated by Professor Ute Meta Bauer, Founding Director of NTU CCA.

Melbourne, Adelaide, Brisbane and Perth – with a total asset value of about A$1.4 billion (~S$1.3 billion). It attracted a range of institutional investors including pension funds, insurance companies, regional banks and corporates as well as high net worth and family office investors. This is a true testament to the high confidence Mapletree has garnered from stakeholders over the years.

Following our first overseas data centre investment in 2017, Mapletree Rosewood Data Centre Trust (MRODCT), a 50:50 joint venture with Mapletree Investments and Mapletree Industrial Trust, completed the acquisition of an 80% interest in three fully fitted hyperscale data centres at a purchase consideration of about US$810.6 million (~S$1.1 billion) in November 2019. Digital Realty holds the remaining 20%. MRODCT also completed the acquisition of 10 powered shell data centres at a purchase consideration of about US$557.3 million (~S$772.5 million) in January 2020.

Making further inroads into the student accommodation sector, Mapletree successfully acquired two Purpose-Built Student Accommodation (PBSA) assets in October 2019. Located near Coventry University in the UK, Calcott Ten and Millennium View offer a combined total of 1,127 beds. Mapletree also completed its first UK lodging development project, Westwood Student Mews, in December 2019. The 453-bed development is one of the nearest private PBSAs to the University of Warwick. These three student accommodation assets will enhance Mapletree's visibility in Coventry, the UK.

In Singapore, Mapletree's plans to restore and retrofit St James Power Station (SJPS) caught the eye of international technology brand Dyson. By creating a new business destination at the prime part of the Greater Southern Waterfront, the refurbished national monument will house Dyson's global headquarters in 2021 and is in line with the Government's earmarked plans for the area to be a gateway to the future "live, work, play" concept. Fittingly, SJPS will house a heritage gallery in one of its distinctive chimneys to showcase its contribution as Singapore's first coal-fired power station. These plans will be further developed in collaboration with Dyson to demonstrate our care and passion for historical sites as well as our commitment to Singapore and SJPS.

BOOSTING THE ARTS

In FY19/20, Mapletree committed and disbursed more than S$6 million to causes guided by the framework of the Group's Corporate Social Responsibility (CSR) programme. To underscore our commitment to empowering individuals under the pillars of the arts, education, environment and healthcare, we aligned the Group's business performance with our CSR efforts. For every S$500 million of PATMI[1], or part thereof, S$1 million is set aside annually to fund CSR initiatives.

Notably, Mapletree had the honour of hosting acclaimed British-Nigerian contemporary artist Yinka Shonibare CBE, RA, with the NTU Centre for Contemporary Art Singapore (NTU CCA Singapore) at Mapletree Business City (MBC) in January 2020. Mr Shonibare, whose works typically incorporate African prints and patterns, is also the artist behind *Wind Sculpture I* (2013) – a sculpture prominently located at the roundabout at MBC. These curated public artworks and artefacts at Mapletree's properties build a sense of identity and instil a public appreciation for the arts.

To help visitors at MBC navigate and learn more about the many art pieces on display, Mapletree has begun developing an innovative mobile application. To be launched later this year, the Mapletree Public Art Trail App will provide an interactive guide for visitors to explore the 14 artworks and artefacts at MBC as well as the seven artworks at VivoCity by following specially designed art trails to suit different interests and available time.

EXPANDING OUR GREEN INITIATIVES

Mapletree recognises the ongoing global environmental issues and has been a strong advocate for green practices in the Group's businesses. These include rolling out green initiatives in Mapletree offices, promoting innovative ways to upcycle materials at the Group's premises and implementing sustainability initiatives as part of Mapletree's property development and management.

During the recent bushfire crisis in Australia that wrought environmental and economic devastation, Mapletree pledged A$100,000 (~S$90,588) to the Australian Red Cross. The funds went to on-the-ground disaster services, immediate assistance grants for affected victims, as well as mid- to long-term recovery efforts.

Locally, Mapletree sponsored and hosted the 35th Singapore Bird Race, which was organised by Nature Society (Singapore) with supporting partner Birdlife International. More than 160 species of birds were spotted at the largest-ever Singapore Bird Race, flagged off from MBC. This is the first time that the Singapore Bird Race is launched from MBC, as the business park is an axis strategically located near Kent Ridge Park, Labrador Park, and the Southern Ridges for birdwatching. Held on 16 and 17 November 2019, the race drew a record turnout of 138 participants, including approximately 60 students from 10 schools. Mapletree's support of the Singapore Bird Race is aligned to the Group's key CSR pillars of environment and education.

EMPOWERING INDIVIDUALS, ENRICHING COMMUNITIES

When the Covid-19 pandemic struck, Mapletree was quick to lend support to the frontline healthcare workers in Singapore, providing more than 6,300 bento lunch boxes over a month. Specially prepared by tenants of Mapletree's malls, the lunches were delivered to employees at the National University Hospital, Tan Tock Seng Hospital and Geylang Polyclinic.

In addition, Mapletree donated RMB1 million (~S$199,620) to Covid-19 relief efforts in China. The contribution, via the Singapore Red Cross, went towards the procurement and distribution of essential personal protective equipment, medical equipment and supplies. Mapletree's efforts towards the pandemic relief also included the donation of 6,400 surgical masks to six schools and charity organisations in Chongqing, Foshan, Ningbo, Shanghai and Tianjin. The masks were distributed to students, teachers and low-income families. As the pandemic continued to unfold, Mapletree contributed more than 2 million masks to healthcare workers, migrant workers and the elderly in Singapore, Australia, Hong Kong SAR, India, Malaysia, the Netherlands, the UK and the US from April to June 2020.

Mapletree sponsored and hosted the 35th Singapore Bird Race, which was held on 16 and 17 November 2019.

Mapletree provided more than 6,300 bento lunch boxes to frontline healthcare workers at the National University Hospital, Tan Tock Seng Hospital and Geylang Polyclinic in Singapore.

DEVELOPING THE POTENTIAL OF THE NEXT GENERATION

Education is one of the cornerstones of Mapletree's CSR programme. As such, Mapletree became a proud sponsor of an illustrated children's book chronicling the childhood story of Emeritus Senior Minister Goh Chok Tong. Titled "Panjang: The Tall Boy Who Became Prime Minister", the

MESSAGE FROM THE CHAIRMAN

book has been widely distributed with more than 8,000 copies delivered to PAP Community Foundation kindergartens islandwide, My First Skools, MOE Kindergartens and preschools operating near or within Mapletree properties in Singapore, as well as preschools located in the Education Hub at Nanhai Business City Phase 4 in China. The inspirational story seeks to motivate young readers to embrace challenges and achieve success in their own ways.

In Hong Kong SAR, Mapletree expanded support for tertiary education with the Group's first endowed donation to an overseas university. The HK$2 million (~S$356,820) donation helped to establish the Mapletree Endowed Fund at City University of Hong Kong (CityU). The fund will support two CityU Scholarship schemes, namely the Mapletree Scholarships and the Mapletree Exchange Scholarships, which recognise students with outstanding academic achievements, as well as support qualified students to participate in exchange programmes.

For the second consecutive year, Mapletree partnered the Singapore Institute of Technology to organise The Mapletree Challenge. The programme equips undergraduates with job interview and presentation skills through a series of masterclasses held between September and November 2019. These lessons enabled the students to gain industry perspectives and learn about personal brand development from leading corporate trainers. A forum which focused on entrepreneurship and innovation was also held in March 2020 to inspire students to make a difference through their entrepreneurial ideas for sustainable innovations. Due to Government-mandated measures to curb the Covid-19 outbreak, the Grand Final of The Mapletree Challenge which offers the opportunity for six teams to present their respective ideas on entrepreneurship and innovation to a panel of judges, will be held online in the second half of 2020.

GIVING BACK FROM THE GROUND UP

Launched in June 2014, the Mapletree Staff CSR Programme has been expanding steadily with more staff teams submitting ground-up initiatives. The number of teams, awarded S$5,000 in seed funding per team, has grown from three in FY14/15 to 15 in FY19/20. Teams from Singapore (Group Development Management, Mapletree Logistics Trust and Mapletree North Asia Commercial Trust), Australia, Greater China (Beijing, Chongqing, Foshan, Hong Kong SAR, Ningbo and Shanghai), Japan, the UK, the US and Vietnam received seed funding this year. We are heartened that more than half the teams continued to work with their beneficiaries for the second or third year, with the intent of building long-term partnerships and support for communities where we have a business presence.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to express my sincere gratitude to Group Chief Executive Officer, Mr Hiew Yoon Khong, the Management and all employees for their valuable expertise, dedication and resilience in fronting the past year's challenges head-on.

My deepest appreciation also goes to my fellow Board members and the respective Boards of our REITs management companies for their dedicated efforts, profound business acumen and leadership in navigating through this year.

While the coming year looks uncertain, I am confident that Mapletree's solid foundation and robust business model will continue to propel the Group to new heights. I look forward to unlocking more opportunities and creating a brighter future with our stakeholders.

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 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

4 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

* *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and losses and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.*

INTERVIEW WITH THE GROUP CEO

Key Performance Indicators (KPIs)	Targets	FY19/20 Final Results
Returns		
Average ROIE[1]	10% to 15%	21.6%
Average ROE[2]	10% to 15%	11.2%
Earnings/Cash Flow		
Average Recurring PATMI[3]	S$900 million to S$1 billion	S$752 million
Recycled Proceeds[4,5]	>S$20 billion	S$5.7 billion
Capital Management		
Fee Income[4]	>S$2.5 billion	S$518 million
AUM Ratio	>3x	2.3x
AUM	S$80 billion to S$90 billion	S$60.5 billion

1) How did Mapletree sustain growth in Financial Year 2019/2020 (FY19/20) despite macroeconomic challenges and Covid-19?

FY19/20 was the first year of Mapletree's third Five-Year Plan. Despite the unique challenges resulting from Covid-19 towards the tail end of the financial year, Mapletree remained committed to achieving the targets set out in our Five-Year Plan, namely to deliver a stable and consistently high level of profitability through prudent investment and enhancing operational efficiency.

We continued to execute our business plan in a calibrated and disciplined manner. This involves building liquidity and financial flexibility to meet our business commitments and capitalise on growth opportunities. In addition, we continued with our capital management initiatives such as the syndication of new private funds and capital recycling activities. Thanks to this disciplined and prudent approach in executing key elements of Mapletree's business model, we were able to deliver creditable and consistent high returns as in past years. Return on invested equity (ROIE)[1] rose significantly from 10.4% in FY18/19 to 21.6% in FY19/20. This was due to higher disposal gains from the divestment of Mapletree Bay Point, a 19-storey Grade A office building in Kowloon East, Hong Kong SAR, in May 2019, as well as proceeds of S$1.55 billion from the acquisition of Mapletree Business City II (MBC II) by Mapletree Commercial Trust (MCT) in November 2019. While the original intent was to own both properties on a long-term basis, it was opportune to capitalise on the attractive capital value the properties could fetch and to recycle the proceeds for other growth opportunities. Recurring profit

INTERVIEW WITH THE GROUP CEO

after tax and minority interests (Recurring PATMI)[3] was S$752 million, a 5% increase year-on-year (y-o-y), contributed by the growth of our logistics assets in Europe and the United States (US) as well as new acquisitions in FY19/20.

While PATMI[3] and return on equity (ROE)[2] remained robust at S$1,778.5 million and 11.2% respectively, they were impacted by lower asset revaluations due to the Covid-19 outbreak in the final quarter of FY19/20.

2) Mapletree's capital management platforms provided attractive returns in FY19/20. What were some milestones and how do these platforms contribute to the Group's overall strategy?

In addition to our competence in real estate investment and development, effective capital management is vital for stable and consistent returns. As at 31 March 2020, Mapletree had S$60.5 billion worth of assets under management (AUM) of which S$42.2 billion or about 70% are third-party managed assets under four Singapore-listed real estate investment trusts (REITs) and six private funds[6]. Over the last decade, Mapletree has grown its third-party managed AUM by more than five times.

In July 2019, we acquired 111 Pacific Highway in North Sydney, Australia, and subsequently syndicated the A$1.4 billion (~S$1.3 billion) Mapletree Australia Commercial Private Trust (MASCOT) in November 2019. MASCOT comprises 10 Grade A office assets with high occupancy and a diverse tenant base, located in the key gateway cities of Sydney, Melbourne, Adelaide, Brisbane and Perth. The fund targets an attractive internal rate of return (IRR)[7] of 12%.

21745 Timothy Drive (ACC 9) is one of three fully fitted hyperscale data centres acquired under a 50:50 joint venture with MIT, located in North Virginia, the US.

Following the divestment of its final asset, the Mapletree India China Fund (MIC Fund)[6] was fully realised in April 2020. The fund delivered a return of 2.0 times equity multiple and net IRR[7] of approximately 13.6%.

The final asset in MJLD, a Japan-focused logistics development fund, was acquired by Mapletree Logistics Trust (MLT) in February 2020. MJLD is on track to deliver an expected return of 1.8 times equity multiple and an impressive net IRR[7] of 23.7% at end June 2020.

During the financial year, Mapletree completed the successful syndication of Mapletree US & EU Logistics Private Trust (MUSEL), with the Group retaining a 33%[8] stake. Nearly two times oversubscribed, the US$1.8 billion (~S$2.5 billion) fund generated demand surpassing the final allocation of approximately US$450 million (~S$623.8 million), reflecting investors' confidence in our capital management capabilities.

Moving forward, we will continue to seek out properties suitable for fund syndication, such as commercial properties in China, India and Europe as well as student accommodation.

Our four REITs have earned a solid reputation, delivering an annual distribution yield per unit ranging from 4.4% to 8.5% in FY19/20. As at 31 March 2020, MLT, Mapletree Industrial Trust (MIT), MCT and Mapletree North Asia Commercial Trust (MNACT) had a combined market capitalisation of about S$32 billion. For two of our REITs, we achieved total shareholder returns of more than 10% in the last financial year. MLT and MIT were consistently rated among the best performing REITs on the Singapore Exchange.

MLT and MCT joined the benchmark Straits Times Index in 2019, with MIT recently added on 22 June 2020.

Mapletree Investments entered into a 50:50 joint venture with MIT to acquire a US$1.4 billion (~S$1.9 billion) North American portfolio of three fully fitted hyperscale data centres in November 2019, and 10 powered shell data centres in January 2020. In an increasingly volatile environment, the defensive nature of the data centre sector will provide a relatively stable return.

In February 2020, MNACT acquired two freehold properties, mBAY POINT Makuhari Building and Omori Prime Building from the Group, for a total acquisition cost of S$480 million.

Fee income[9] from the four REITs and six private funds[6] contributed S$486.6 million to the Group's total fee income[9] of about S$518 million.

In FY19/20, we achieved a total of S$5.7 billion in recycled proceeds[5] from strategic capital management and fund syndication efforts. Apart from enhancing our returns, these activities have successfully lowered Mapletree's net gearing. As at 31 March 2020, Mapletree has reduced its net debt/equity ratio by 15.5 percentage points y-o-y at 62.5%. The lower gearing strengthens our position in an uncertain economic environment and enables us to capitalise on opportunities when they arise.

3) How has Covid-19 impacted Mapletree's asset classes?

The Covid-19 situation around the world has evolved rapidly. We have witnessed unprecedented lockdowns of cities and countries, and disruptions in cross-border supply chains. As Mapletree's portfolio is diversified both in asset types and geography, Covid-19 has had a varied impact on our business.

The logistics and data centre sectors have proven to be the most resilient asset classes in FY19/20. Construction delays for logistics developments in China have been shorter than expected, and income from logistics properties in the US and Europe have remained stable, underpinned by robust demand from the e-commerce sector.

Retail has been somewhat affected by the significant decline in footfall and the suspension of non-essential retail services by most countries. In nurturing long-term relationships with our tenants, we have provided rental rebates, deferments and other measures over and above legislated requirements. Our lodging assets have also been hit. While short-term stays in serviced apartments have dipped in light of travel bans, occupancy of long-term stays and multifamily properties have remained relatively stable. We have also extended reliefs to students who were unable to continue with their stay at our student residences for their studies.

4) Could you expand on some strategic acquisitions and developments the Group embarked on in FY19/20?

European acquisitions

In June 2019, we entered into a forward contract to acquire The Sorting Office, our maiden office property in Dublin, Ireland. Staying true to our strategy of diversifying earnings in scalable and developed markets, The Sorting Office is located in Dublin's city centre, has robust tenant demand and has been awarded with the LEED platinum rating and Building Energy Rating of A3.

Joining our growing portfolio of European office assets are Nova Atria in one of Dublin's leading submarkets, comprising two adjoining six-storey office blocks occupying 31,140 square metres (sqm) in net lettable area (NLA), and West Station in Warsaw, Poland, made up of two 14-storey buildings spanning 68,851 sqm in NLA.

In October 2019, Mapletree acquired two Purpose-Built Student Accommodation (PBSA) assets totalling 1,127 beds in Coventry, the United Kingdom (UK). To date, Mapletree's student accommodation portfolio comprises 50 PBSA assets with over 22,000 beds located across 33 cities in the UK, the US and Canada.

Nova Atria is located in Dublin, Ireland, and comprises two adjoining six-storey office blocks occupying 31,140 sqm in NLA.

INTERVIEW WITH THE GROUP CEO

Building a portfolio of unique assets
In December 2019, Mapletree's real estate capabilities continued to attract best-in-class tenants as Dyson confirmed the relocation of its global headquarters to Singapore, at our prized St James Power Station (SJPS). Currently under refurbishment, SJPS will house Dyson's technology centre and a heritage gallery that pays homage to its rich history upon completion in the second half of 2020.

We will build on our rejuvenation capabilities as an active participant in the growth and development of the Greater Southern Waterfront precinct. In line with the Singapore Government's wider "live, work, play" transformation plans, SJPS will be one of Mapletree's adaptive reuse projects to fit into these plans.

Best-in-class developments
Building on our core competency in real estate developments, we have continued to grow the number of development projects around the world.

Logistics remained a bright spot in FY19/20, supported by the strong growth in e-commerce. We capitalised on this growing trend by increasing the number of development projects in markets with high occupancy rates and low modern specification warehouse stock.

In China, we employed our expertise in greenfield development projects, deepening our presence with 27 new logistics sites at a total investment value exceeding S$1.6 billion. As at 31 March 2020, the Group's logistics assets in China totalled 6 million sqm in gross floor area (GFA), representing a 40% uplift y-o-y.

We aim to maintain our pace of expansion under the current Five-Year Plan so that we can reach significant scale and continue tapping into the fast-growing China market.

Nanhai Business City in Foshan, China, is a mixed-use development encompassing residential, retail, educational and office components.

We acquired two sites in Shah Alam, Selangor, Malaysia, an area highly sought after by third-party logistics operators and end-users. Covering a combined land area of 218,525 sqm, both sites will be redeveloped into four-storey ramp up modern warehouse facilities.

In northern Vietnam, we completed the development of Mapletree Logistics Park Bac Ninh Phase 3, a Grade A logistics facility spanning 47,732 sqm of GFA which has since achieved 100% occupancy. In the south, construction commenced on Mapletree Logistics Park Binh Duong Phase 4. Strategically located to serve both domestic and import-export demand, the development has secured a healthy pre-leasing commitment for 76% of NLA.

In Brisbane, Australia, we acquired a 36.3-hectare site slated for completion in September 2020. The future logistics park will be developed over four phases to provide a total GFA of 191,888 sqm and features excellent access to the Logan Motorway, as well as Brisbane city, port and airport.

Apart from logistics, our development portfolio includes student accommodation, office and residential projects.

In December 2019, Mapletree completed its first student housing development project, Westwood Student Mews in the UK. The 453-bed development is in close proximity to the University of Warwick's campus.

In the US, the construction of Mapletree's first university housing development is scheduled for completion and expected to be operational by FY20/21. The 405-unit/513-bed accommodation adjoins the University of Pennsylvania campus.

In China, Mapletree Ningbo Mixed-Use Development Phase 1 (residential and retail) obtained its occupation permit in June 2019. It has fully sold units in 13 residential blocks as well as over 90% of its parking space.

In Nanhai Business City Phase 4, nine out of 12 residential blocks have launched for sale since August 2018. Nearly 90% of the units have been sold. The Education Zone is fully operational and the Education Hub office achieved a 90% commitment rate.

Mapletree Business Centre in Ho Chi Minh City, Vietnam, continued to do well. Home to many international tenants, the property registered occupancy of above 95% with strong rent reversions. One Verandah, Mapletree's residential project in Vietnam, obtained its Temporary Occupation Permit in April 2020 and is on schedule for handover.

A key component of our development capability is the proven skill to enhance and add value to existing properties. In July 2019, MIT announced plans to transform the Kolam Ayer 2 flatted factory cluster in Singapore into a high-tech industrial precinct, including a Build-to-Suit facility for a global medical device company headquartered in Germany. Upon completion by end 2022, the plot ratio is set to increase from 1.5 to 2.5, while GFA will be raised from about 47,076 sqm to an estimated 80,420 sqm.

5) Moving into the second year of Mapletree's third Five-Year Plan, what is Mapletree's posture amid a weaker economic outlook?

As the pandemic plays out, the Group plans to strengthen its balance sheet with more capital recycling initiatives and fund syndications in FY20/21, as well as very selective acquisitions in markets and sectors in which the Management has assessed to demonstrate growth potential and resilient returns, such as logistics and data centres. The pipeline includes Mapletree Europe Income Trust (MERIT), comprising our existing European commercial assets. We will continue to explore the possibility of launching more funds or REITs over the next couple of years. With prudent investment and opportunistic acquisitions, Mapletree is committed to meeting the targets set for its third Five-Year Plan.

6) Mapletree has a strong culture of giving back to communities in which it operates, and an emphasis on sustainability. What are some achievements we should know about?

We believe passionately in giving back. For every S$500 million of PATMI[3] or part thereof, we set aside S$1 million annually to fund corporate social responsibility (CSR) initiatives. In FY19/20, Mapletree committed and disbursed more than S$6 million to causes under the four pillars of our CSR framework – arts, education, environment and healthcare.

In tandem with long-term partnerships with our communities, sustainability is integral to Mapletree's business operations. Mapletree and a number of our REITs have embarked on green financing options that complement our efforts to reduce the environmental footprint of our portfolio.

In October 2019, MCT secured its first green club loan of S$670 million to part-finance the acquisition of MBC II and the Common Premises. MCT has also established a green loan framework that outlines the criteria for allocating and managing proceeds from the green loan.

In November 2019, MLT announced its S$200 million sustainability-linked loan. The six-year committed revolving credit facility linking a renewable energy generation target to financing is a first for a Singapore-listed REIT. Separately, MNACT secured a sustainability-linked loan of approximately S$174 million in the last quarter of 2019.

In March 2020, the Group unveiled a EUR200 million (~S$316.1 million) sustainability-linked loan from OCBC Bank. This is one of the largest sustainability-linked loans for a real estate developer in Singapore and is the Group's first. The loan will be used for general working capital and corporate funding purposes and is designed to tie the facility with Mapletree's environmental, social and governance initiatives.

1 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

2 ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.

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

4 KPIs measured on a five-year cumulative basis.

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

6 MIC Fund was fully realised in April 2020.

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

8 Excluding director and senior management's stake in fund.

9 Includes REIT management fees.

* *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and losses and include OIC gains from any gains and losses on disposal and corporate restructuring surplus or deficit.*

BOARD OF DIRECTORS

Mapletree adopts the principle that an effective Board of Directors (Board) is one constituted with the right core competencies and diversity of experiences for the growth and success of the Group. The collective wisdom of the Board provides strategic guidance and diverse insights to support the Management.

FROM LEFT TO RIGHT (STANDING):

Paul Ma Kah Woh
Cheah Kim Teck
David Christopher Ryan
Wong Meng Meng
Tsang Yam Pui
Samuel N. Tsien
Lee Chong Kwee

FROM LEFT TO RIGHT (SEATED):

Elaine Teo
Hiew Yoon Khong
Edmund Cheng
Lim Hng Kiang

BOARD OF DIRECTORS

EDMUND CHENG, 67
Chairman

Mr Edmund Cheng is the Chairman of the Board of Directors of Mapletree Investments Pte Ltd (MIPL). He is also the Chairman of its Executive Resource and Compensation Committee, and Investment Committee.

Mr Cheng is concurrently the Deputy Chairman of Wing Tai Holdings Limited, as well as the Chairman of the Civil Aviation Authority of Singapore and the Singapore Art Museum.

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

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

LEE CHONG KWEE, 63
Director

Mr Lee Chong Kwee is a member of the MIPL Board and the Chairman of its Audit and Risk Committee as well as its Transaction Review Committee.

He is also the Non-Executive Chairman of Mapletree Logistics Trust Management Ltd (as manager of Mapletree Logistics Trust) and a Corporate Advisor to Temasek Holdings. Mr Lee was previously Non-Executive Chairman of Jurong Port Pte Ltd and also served on the Advisory Boards of the National University of Singapore Business School and The Logistics Institute – Asia Pacific.

Mr Lee was formerly the Asia Pacific Chief Executive Officer of Exel (Singapore) Pte Ltd and is a fellow of the Singapore Institute of Directors.

PAUL MA KAH WOH, 72
Director

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

Concurrently, Mr Ma is a Director of StarHub Ltd (listed on the Main Board of the Singapore Exchange). In addition, Mr Ma is a member of the advisory board of the Asian Civilisations Museum.

Until 29 February 2020, Mr Ma was also a Director of PACC Offshore Services Holdings Ltd. Mr Ma is a fellow of the Institute of Chartered Accountants in England and Wales as well as a member of the Institute of Singapore Chartered Accountants.

TSANG YAM PUI, 73
Director

Mr Tsang Yam Pui is a member of the MIPL Board and a member of its Audit and Risk Committee. He is also the Non-Executive Chairman of Mapletree Commercial Trust Management Ltd (as manager of Mapletree Commercial Trust).

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

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

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

WONG MENG MENG, 71
Director

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

Mr Wong is the Founder-Consultant of WongPartnership LLP, a leading law firm in Singapore. He is a member of the Competition Appeal Board, Singapore and a member of the Advisory Committee of the School of Humanities & Social Sciences, Temasek Polytechnic. He was also a member of the Quality Assurance Framework for Universities (QAFU) Panel until 31 December 2019.

DAVID CHRISTOPHER RYAN, 50
Director

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

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

In addition to his role on the MIPL Board, Mr Ryan remains a Senior Director of Goldman Sachs & Co and serves as a Corporate Advisor to Temasek Holdings.

BOARD OF DIRECTORS

LIM HNG KIANG, 66
Director

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

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

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

SAMUEL N. TSIEN, 65
Director

Mr Samuel N. Tsien is a member of the MIPL Board.

Mr Tsien is the Group Chief Executive Officer and Executive Director of Oversea-Chinese Banking Corporation Limited (OCBC). He is also a member of the board of directors of various other companies in the OCBC group. Prior to these appointments, he was the Senior Executive Vice President and Global Head, Global Corporate Bank of OCBC. He is also a Director of Dr Goh Keng Swee Scholarship Fund and International Monetary Conference. His other commitments include serving as the Chairman of the Association of Banks in Singapore and Monetary Authority of Singapore (MAS) Steering Committee for SGD Swap Offer Rate Transition to Singapore Overnight Rate Average. He is also Vice Chairman of the Institute of Banking and Finance Council, a member of the MAS Financial Centre Advisory Panel and a member of the MAS Payments Council.

Prior to joining OCBC, Mr Tsien was President and Chief Executive Officer of Bank of America (Asia) from 1995 to 2006, and President and Chief Executive Officer of China Construction Bank (Asia) Corporation Ltd in 2007. He had concurrently served as Executive Vice President and Asia Commercial and Consumer Banking Group Executive of Bank of America Corporation during 1996 to 2006.

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

ELAINE TEO, 53
Director

Ms Elaine Teo is a member of the MIPL Board and a member of its Transaction Review Committee.

She is currently a Non-Executive and Independent Director of Olam International Limited and G.K. Goh Holdings Limited. Ms Teo has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. She was formerly the Chairman of Capital International Research Inc. and Managing Director of Capital International Inc., Asia. Ms Teo was previously a Senior Advisor and Partner at the Holdingham Group Ltd and a member on the International Advisory Panel of CIMB Group Holdings Berhad (a company listed on Bursa Malaysia).

Ms Teo is the Chairman of The TENG Ensemble Ltd, an arts company focused on the development of a Singaporean musical identity. She was formerly a Director of Caregivers Alliance Ltd, a non-profit organisation focused on training and support of caregivers to persons with mental illness in Singapore, as well as a member of the International Development Group of the Jesuit Refugee Service.

Ms Teo holds a Bachelor of Arts (Honours) degree in Experimental Psychology from Oxford University.

CHEAH KIM TECK, 68
Director

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

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

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

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

HIEW YOON KHONG, 58
Executive Director and Group Chief Executive Officer

Mr Hiew is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Commercial Trust Management Ltd and was formerly a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, and Mapletree North Asia Commercial Trust Management Ltd.

Mr Hiew joined Mapletree in 2003 as Group Chief Executive Officer. He has since led the Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of more than S$60.5 billion.

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

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

GROUP SENIOR MANAGEMENT

HIEW YOON KHONG, 58
Executive Director and Group Chief Executive Officer

Mr Hiew is a member of the MIPL Board and its Group Chief Executive Officer. He is also a Non-Executive Director of Mapletree Commercial Trust Management Ltd and was formerly a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, and Mapletree North Asia Commercial Trust Management Ltd.

Mr Hiew joined Mapletree in 2003 as Group Chief Executive Officer. He has since led the Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of more than S$60.5 billion.

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

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

CHUA TIOW CHYE, 61
Deputy Group Chief Executive Officer

Mr Chua, as Deputy Group Chief Executive Officer, focuses on driving the Group's strategic initiatives including expanding and directing the Mapletree Group's international real estate investments and developments. He also directly oversees the Group's global Lodging sector as well as the Private Capital Management function of the Group. Previously, Mr Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets.

Mr Chua concurrently serves as a Non-Executive Director of Mapletree Industrial Trust Management Ltd and Mapletree North Asia Commercial Trust Management Ltd. He was also previously the Chief Executive Officer of Mapletree Logistics Trust Management Ltd.

Prior to joining Mapletree in 2002, Mr Chua held senior positions with various companies including Vision Century Corporation Ltd, Ascendas Pte Ltd, Singapore Food Industries Pte Ltd and United Overseas Bank Ltd.

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

WENDY KOH MUI AI, 48
Group Chief Financial Officer

Ms Koh, as Group Chief Financial Officer, oversees the Finance, Tax, and Treasury functions of the Mapletree Group. She is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd, Mapletree Industrial Trust Management Ltd, Mapletree Commercial Trust Management Ltd and Mapletree North Asia Commercial Trust Management Ltd.

Prior to this, she was the Regional Chief Executive Officer, South East Asia (August 2014 to July 2019), heading the Group's business in Southeast Asia and Head, Strategy and Research (2014), overseeing strategy, planning and research for Mapletree. She was previously engaged by Mapletree as an advisor to review the Group's strategy implementation from FY09/10 to FY13/14, and was involved in the formulation of Mapletree's second Five-Year Plan.

Before joining Mapletree, Ms Koh was Co-head, Asia Pacific Property Research, at Citi Investment Research. With 20 years of experience as a real estate equities analyst, she was involved in many initial public offerings and capital raising deals including for Mapletree Logistics Trust, Mapletree Industrial Trust and Mapletree Commercial Trust.

Ms Koh holds a Bachelor of Business (Honours) degree specialising in Financial Analysis from the Nanyang Technological University, Singapore and the professional designation of Chartered Financial Analyst from the CFA Institute.

WAN KWONG WENG, 48
Group Chief Corporate Officer

Mr Wan is responsible for all of legal, compliance, corporate secretarial, human resource as well as corporate communications and administration matters across all business units and countries. He is also the Joint Company Secretary of MIPL and the four Mapletree REIT Managers. In addition, Mr Wan is a Member/Secretary of the Singapore Management University Real Estate Programme Advisory Board.

Prior to joining Mapletree as General Counsel in 2009, Mr Wan was Group General Counsel – Asia at Infineon Technologies for seven years, where he was a key member of its Asia Pacific management team. He started his career as a litigation lawyer with one of the oldest law firms in Singapore, Wee Swee Teow & Co, and was subsequently with the Corporate & Commercial/Private Equity practice group of Baker & McKenzie in Singapore and Sydney.

Mr Wan has an LL.B. (Honours) (Newcastle upon Tyne), where he was conferred the Wise Speke Prize, as well as an LL.M. (Merit) (London). He also attended the London Business School Senior Executive Programme. Mr Wan is called to the Singapore Bar, where he was awarded the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). He was conferred the Public Service Medal (PBM) in 2012 and Public Service Star (BBM) in 2017 for his contributions to Central Singapore CDC.

GROUP SENIOR MANAGEMENT

TAN WEE SENG, 54
Group Chief Development Officer

Mr Tan is in charge of the Group Development Management unit where he oversees the execution of all development projects, including asset enhancement initiatives undertaken within the Mapletree Group across all business units and countries.

Prior to joining Mapletree in 2012, he spent 18 years with Lendlease Group in various senior positions. Mr Tan has over 30 years of design, project/construction management experience in the industrial, logistics, pharmaceutical, telecommunications, institutional, retail, hospitality and commercial sectors across different geographies.

WONG MUN HOONG, 54
Regional Chief Executive Officer, Australia & North Asia

Mr Wong, as Regional Chief Executive Officer of Australia & North Asia, is overall responsible for and drives the Group's non-REIT businesses in Australia and North Asia, which includes Japan, Hong Kong SAR and South Korea.

He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd and he serves as the Chairman of Singapore Management University Real Estate Programme Advisory Board.

From 2006 to July 2019, Mr Wong was the Group Chief Financial Officer of Mapletree, overseeing the Finance, Tax, Treasury and Private Funds Management functions of the Group. Prior to joining Mapletree in 2006, Mr Wong had over 14 years of investment banking experience in Asia, of which the last 10 years were with Merrill Lynch & Co having worked at its Singapore, Tokyo and Hong Kong SAR offices.

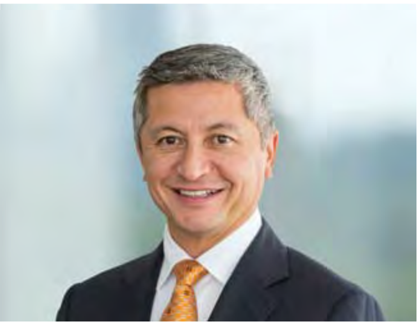
Mr Wong graduated with a Bachelor of Accountancy (Honours) degree from the National University of Singapore in 1990, and holds the professional designation of Chartered Financial Analyst from the CFA Institute of the United States. He attended the Advanced Management Programme at INSEAD Business School.

AMY NG LEE HOON, 53
Regional Chief Executive Officer, South East Asia & Group Retail

Ms Ng, as Regional Chief Executive Officer, South East Asia & Group Retail, oversees the Group's portfolio* in Singapore and the rest of Southeast Asia region. She also has direct responsibility over the Group's retail assets and operations in Singapore, China, Malaysia and Vietnam, where she provides executive management and leadership.

Ms Ng joined Mapletree in 2010 as the Chief Executive Officer of Singapore Investments. She was the Chief Executive Officer and Executive Director of Mapletree Commercial Trust Management Ltd from 2011 to July 2015, and was responsible for the initial public offering of Mapletree Commercial Trust in April 2011. Prior to joining Mapletree, Ms Ng held various appointments in the CapitaLand group of companies.

*excludes assets held by REITs.



MICHAEL SMITH, 51
Regional Chief Executive Officer, Europe and USA

Mr Smith, as Regional Chief Executive Officer of Europe and USA, is responsible for new and existing businesses in Europe and the United States (excluding Group Lodging). He is also a Non-Executive Director of Mapletree Industrial Trust Management Ltd and a member of the Singapore Stock Exchange Disciplinary Committee.

Prior to joining Mapletree, Mr Smith was a partner at Goldman Sachs, heading the South East Asia investment banking business as well as the bank's Asia Pacific (ex Japan) real estate business. As one of the pioneers of the Asian REIT industry, Mr Smith has been involved in numerous initial public offerings of REITs, including the four Mapletree REITs – namely Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust – sponsored by the Group on the Singapore Exchange Limited. He was also involved in various significant transactions undertaken by the Group including the acquisition of Festival Walk in Hong Kong SAR, Gateway Plaza in Beijing, as well as in the collaboration with Oakwood in 2014.

Mr Smith has over 25 years of investment banking experience and prior to Goldman Sachs, Mr Smith was the head of Asia (ex Japan) Real Estate Investment Banking of UBS from 2000 to 2006.

QUEK KWANG MENG, 54
Regional Chief Executive Officer, India

Mr Quek, as Regional Chief Executive Officer of India, heads Mapletree's business and investments in India. He has direct responsibility over the Group's assets in this market. Before his current appointment in June 2016, Mr Quek was also overseeing the Group's non-REIT activities in the China market.

Prior to joining Mapletree, Mr Quek was the Global Co-head/Managing Director for real estate investments in Citi Private Bank.

GOH CHYE BOON, 50
Regional Chief Executive Officer, China

Mr Goh, as Regional Chief Executive Officer of China, oversees the whole of Mapletree's China business. He has direct responsibility over the Group's non-REIT business in China market, driving investments and operations for the region's business platform. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd.

Prior to this appointment, Mr Goh was the Chief Executive Officer, Logistics Development, China.

His 24 years of wide-ranging work experience included stints at the Ministry of Finance, Monetary Authority of Singapore and Ministry of Trade and Industry. In addition, he was the former CEO of Sino-Singapore Tianjin Eco-City Investment & Development Co Ltd and also previously headed the China Business Partnership Unit of GIC China.

GROUP SENIOR MANAGEMENT

LEE ARK BOON, 47
Chief Executive Officer, Logistics Development, China

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

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

NG KIAT, 50
Chief Executive Officer, Mapletree Logistics Trust Management Ltd

Ms Ng is the Chief Executive Officer and an Executive Director of Mapletree Logistics Trust Management Ltd. Prior to this appointment in July 2012, Ms Ng was Mapletree's Chief Investment Officer, South East Asia, where she was responsible for managing the acquisitions, development and operations of Mapletree's investment portfolio in the region. She was also previously Mapletree's Chief Executive Officer, Vietnam.

Prior to joining Mapletree in 2007, Ms Ng was with Temasek Holdings for five years, managing private equity fund investments. Preceding that, Ms Ng was Vice President at the CapitaLand group of companies, where she was responsible for real estate investments and cross-border mergers and acquisitions activities in Southeast Asia and Europe.

THAM KUO WEI, 51
Chief Executive Officer, Mapletree Industrial Trust Management Ltd

Mr Tham is the Chief Executive Officer and an Executive Director of Mapletree Industrial Trust Management Ltd. He was previously the Deputy Chief Executive Officer and Chief Investment Officer of Mapletree's Industrial business unit. In that capacity, he was responsible for structuring, establishing and managing real estate investment platforms in Singapore and the region.

Mr Tham joined Mapletree in 2002 and has since held various positions with the Group. Prior to joining Mapletree, he was in various engineering and logistics management roles with PSA Corporation.

SHARON LIM HWEE LI, 47
Chief Executive Officer, Mapletree Commercial Trust Management Ltd

Ms Lim is the Chief Executive Officer and an Executive Director of Mapletree Commercial Trust Management Ltd (MCTM). She joined Mapletree in January 2015 as the Chief Operating Officer of MCTM.

Prior to joining Mapletree, Ms Lim was CapitaMalls Asia's Country Head for Malaysia since 2008 and was appointed as the Chief Executive Officer and Executive Director of CapitaMalls Malaysia Trust, listed on Bursa Malaysia in 2010.

CINDY CHOW PEI PEI, 50
Chief Executive Officer, Mapletree North Asia Commercial Trust Management Ltd

Ms Chow is the Chief Executive Officer and an Executive Director of Mapletree North Asia Commercial Trust Management Ltd. She was previously the Chief Executive Officer, India, where she was instrumental in establishing Mapletree's investments in the country.

Ms Chow joined Mapletree in 2002 as a Business Development Manager, and later became the Senior Vice President and Head of Investment for Mapletree Logistics Trust Management Ltd.

NEO SING HWEE, 48
Head, Operations System & Control

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

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

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

OUR GLOBAL ASSET PORTFOLIO

Mapletree owns and manages real estate assets across 13 markets. The Group grew its total assets under management (AUM) by 8.5% to S$60.5 billion in Financial Year 2019/2020. Asia accounted for 65.6% of the Group's AUM while Mapletree's new markets comprising Australia, Canada, Europe, the United Kingdom (UK) and the United States (US) recorded 34.4% of its AUM. The Group's four real estate investment trusts and six private funds[1] have a combined AUM of over S$42 billion.

	Office	Logistics	Retail	Mixed-use	Serviced Apartment	Industrial	Data Centre	Residential	Student Accommodation	
CORE ASIA AUM = 65.6%										S$ MILLION
SINGAPORE	●	●	●	●		●	●	●		18,161.2
HONG KONG SAR	●	●	●							7,761.7
CHINA	●	●	●	●		●		●		6,572.8
JAPAN	●	●	●		●					3,198.9
VIETNAM	●	●	●	●	●	●		●		1,666.5
INDIA	●									963.4
MALAYSIA		●	●							854.5
SOUTH KOREA		●								490.0
NEW MARKETS AUM = 34.4%										S$ MILLION
THE US	●	●			●	●	●	●	●	12,452.0
THE UK	●			●					●	3,395.9
EUROPE	●	●								2,997.6
AUSTRALIA	●	●			●					1,891.6
CANADA							●		●	72.5

1 Mapletree India China Fund was fully realised in April 2020.

FUELLING GROWTH

STRENGTHENING OUR PRESENCE IN KEY INVESTMENT MARKETS

HIGHLIGHTS OF THE YEAR

APRIL 2019

Mapletree Business City @ Binh Duong in Vietnam continued its ramp up with the completion of new phases 3A2 and 3A3, comprising 55,426 square metres (sqm) in total, and a two-storey Build-to-Suit (BTS) factory. The new ready-built factories have seen strong take-up and achieved occupancies of above 85%.

West Station, Mapletree's first commercial acquisition in Warsaw, Poland.

MAY 2019

Mapletree held the Grand Final of The Mapletree Challenge, which had been running since October 2018. Students from Singapore Institute of Technology (SIT) vied for the Mapletree Gold award, up to S$5,000 in cash prizes and the opportunity to prototype their entrepreneurial ideas. Gracing the event at Mapletree Business City (MBC) was guest-of-honour Dr Amy Khor, Senior Minister of State, Ministry of the Environment and Water Resources and Ministry of Health.

Mapletree acquired its first commercial asset, West Station, in Poland. The property comprising two office buildings with approximately 69,000 sqm of net lettable area (NLA), is strategically located next to Warszawa Zachodnia Train Station, a regional transportation hub in Warsaw. The fully occupied asset enjoys excellent access to international and national rail and bus connections.

In northern Vietnam, the Group completed Phase 3 of Mapletree Logistics Park Bac Ninh. The Grade A logistics facility which spans 47,732 sqm of gross floor area (GFA), attracted healthy demand from established third-party logistics (3PLs) providers and achieved 100% occupancy upon completion. Situated within Vietnam-Singapore Industrial Park Bac Ninh, the property is well connected via a comprehensive highway system to Hanoi, Noi Bai International Airport, Hai Phong Seaport and the Vietnam-China border.

The Grand Final of The Mapletree Challenge with guest-of-honour Dr Amy Khor, Senior Minister of State, Ministry of the Environment and Water Resources and Ministry of Health, as well as Professor Yaacob Ibrahim, Advisor, Office of the President, SIT, and Mr Edmund Cheng, Mapletree's Chairman, at MBC, Singapore.

JUNE 2019

Mapletree entered into a forward contract to acquire its first office building in Ireland, The Sorting Office. Comprising approximately 19,787 sqm of NLA, The Sorting Office is strategically located in the heart of Dublin's Silicon Docklands, a thriving business district within the South Docks of the Docklands Strategic Development Zone. With the city's strong focus on information and communication technology, the office building with Grade A specifications will be positioned to attract a diverse mix of tenants in the technology, financial, legal and professional services sectors.

An artist's impression of Mapletree's first office acquisition, The Sorting Office, in Dublin, Ireland.

JULY 2019

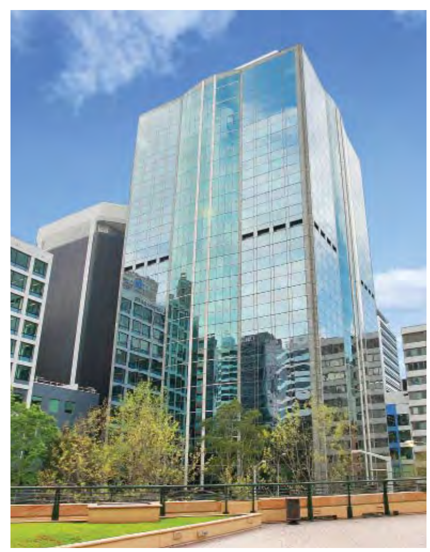
Mapletree expanded support for tertiary education to Hong Kong SAR. The Group's first endowed donation of HK$2 million (~S$356,820) instituted the Mapletree Endowed Fund at City University of Hong Kong (CityU). The fund will support two CityU scholarship schemes – the Mapletree Scholarships and the Mapletree Exchange Scholarships. These scholarships recognise students with outstanding academic achievements, as well as support qualified students to participate in exchange programmes.

Mr Chua Tiow Chye, Mapletree's Deputy Group Chief Executive Officer and Mr Wan Kwong Weng, Mapletree's Group Chief Corporate Officer with Professor Matthew Lee Kwok-on, CityU's Vice-President (Development and External Relations) (second from left) and Mr Gavin Kwok Man-kit, CityU's Director (Development Office) at the cheque presentation ceremony at CityU, Hong Kong SAR.

Mapletree Industrial Trust (MIT) will be redeveloping the Kolam Ayer 2 Cluster in Singapore into a Hi-Tech industrial precinct – its largest redevelopment project to date. With a total project cost of about S$263 million[1], the redevelopment is slated for completion in the second half of 2022. Upon completion, the utilised plot ratio will increase from 1.5 to 2.5, while the total GFA will increase to about 80,420 sqm. The redevelopment will include a BTS facility for a global medical device company headquartered in Germany, which will account for approximately 24.4% of the enlarged GFA.

An artist's impression of MIT's new Hi-Tech industrial precinct with BTS facility on the left.

Mapletree acquired 111 Pacific Highway, a 24-storey commercial building located in North Sydney, Australia, with an NLA of approximately 18,600 sqm. The freehold asset with Grade A specifications provides an attractive net property income (NPI) yield and is part of Mapletree's portfolio of 10 commercial buildings in Australia.



111 Pacific Highway, a Grade A office building located in North Sydney, Australia.

AUGUST 2019

The first Mapletree Awards, each valued at S$8,000, were conferred to three Real Estate Track students at the Singapore Management University (SMU) for their good academic results as well as keen interest and aptitude in the areas of Real Estate Investments and Finance. The awards are part of the multi-faceted Mapletree-SMU Real Estate Programme, which was established in January 2018. The programme aims to equip students with the necessary knowledge and cross-disciplinary skills to navigate the growing real estate sector in Singapore and globally through participation in study trips and internships.

HIGHLIGHTS OF THE YEAR

Mayor Low Yen Ling, South West District, and Mr Edmund Cheng, Mapletree's Chairman, officiating the opening of the specially curated photo exhibition, Singapore Birds on the Brink – Our Threatened Birds in Pictures, held at VivoCity, Singapore.

Mapletree, along with Nature Society (Singapore) and BirdLife International, organised a specially curated photo exhibition "Singapore Birds on the Brink – Our Threatened Birds in Pictures" at VivoCity, Singapore. The exhibition, which was opened by Ms Low Yen Ling, Mayor of South West District and Senior Parliamentary Secretary, Ministry of Education and Ministry of Manpower, aimed to raise awareness about the 35th Singapore Bird Race while showcasing Singapore's rich biodiversity through the nation's threatened bird species.

Supported by Mapletree, the inaugural Boys' Town Sport Climbing Competition which featured 24 teams of participants aged 10 to 17 years old, was successfully held at the Boys' Town Adventure Centre (BTAC). The event helped to impart valuable life skills such as resilience and discipline and promoted awareness of the BTAC. As part of its corporate social responsibility (CSR) efforts, Mapletree has contributed over S$500,000 to Boys' Town since 2012, to support residential care and schooling programmes for at-risk youth.

VivoCity, Singapore successfully completed its fifth asset enhancement initiative, comprising the changeover of the hypermarket and partial recovery of the anchor space to accommodate new and expanding tenants.

SEPTEMBER 2019

Mapletree Logistics Trust (MLT) entered into a conditional forward purchase agreement to acquire a warehouse in Truganina, Melbourne, Australia, for A$18.4 million (~S$16.7 million). Targeted for completion by December 2020, the single-storey logistics facility with an NLA of approximately 15,100 sqm is designed with modern Grade A specifications.

Mapletree Commercial Trust (MCT) joined the benchmark Straits Times Index (STI) on 23 September 2019.

OCTOBER 2019

MLT announced the acquisition of seven high-quality logistics properties across three attractive markets, enhancing its portfolio and regional presence. The acquisition comprised a property in Malaysia for MYR826 million (~S$272 million), two properties in Vietnam for US$36 million (~S$49.9 million), and a 50% interest in each of the four logistics properties in China for RMB451 million (~S$90 million). Strategically located near city centres and key transport infrastructure, these properties are well-served by established infrastructure that supports logistics functions.

Mr Edmund Cheng, Mapletree's Chairman, Mr Leon Ng, Boys' Town's Board of Directors, Dr Roland Yeow, Boys' Town's Executive Director, Mr Wan Kwong Weng, Mapletree's Group Chief Corporate Officer, Ms Heng Sue Yuan, Mapletree's Director of Corporate Communications and Mr Trevor Chan, Boys' Town's Deputy Director, Community Partnerships & Social Enterprise with participants at the inaugural Boys' Town Sport Climbing Competition 2019.

Mapletree held its second Annual Lecture at SMU, as part of the Mapletree Real Estate Programme, which served as a platform for constructive discussions around recent trends in real estate markets and the implications for real estate investment trust investors. The lecture, attended by more than 250 people, also featured a panel discussion with local and international real estate industry panellists.

Mapletree successfully acquired two Purpose-Built Student Accommodation (PBSA) assets located in Coventry, the United Kingdom (UK). The assets, Calcott Ten and Millennium View, have a total of 1,127 beds and are in close proximity to Coventry University.

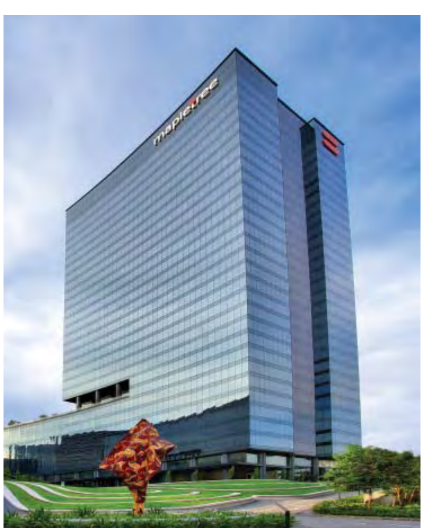
Mr Hiew Yoon Khong, Group Chief Executive Officer, Mapletree, and Professor Todd Sinai from The Wharton School, University of Pennsylvania, among the invited panellists and distinguished guests at SMU, Singapore.

NOVEMBER 2019

MCT acquired Mapletree Business City II (MBC II) and the Common Premises from its Sponsor, Mapletree Investments. With Mapletree Business City I (MBC I) and MBC II making up an estimated 269,000 sqm in NLA, MCT presently owns one of the largest integrated office and business park developments in Singapore with Grade A building specifications.

MCT was subsequently added to the MSCI Singapore Index on 26 November 2019.

As part of Mapletree's CSR efforts to support education and literary arts, the Group supported the publication of an illustrated children's book "Panjang: The Boy Who Became Prime Minister". Over 8,000 copies of the books were distributed to PAP Community Foundation (PCF) kindergartens islandwide, My First Skools, MOE Kindergartens and preschools operating near or within Mapletree properties in Singapore, as well as preschools located in the Education Hub at Nanhai Business City Phase 4 in China. The book was officially presented at Marine Parade's PCF Family Day with Emeritus Senior Minister (ESM) Goh Chok Tong gracing the occasion.



MCT's latest acquisition of MBC II, Singapore.

ESM Goh Chok Tong graced the book presentation of "Panjang: The Boy Who Became Prime Minister" at PCF Family Day 2019, Singapore.

HIGHLIGHTS OF THE YEAR

Teams were flagged off from MBC, Singapore, for the 35th Singapore Bird Race.

Mapletree hosted the 35th Singapore Bird Race, which was flagged off from MBC, along with the organiser, Nature Society (Singapore) and supporting partner, BirdLife International. A record turnout of 138 participants spotted over 160 bird species at areas which included MBC, the birdwatching axis for the Southern Waterfront as well as surrounding areas.

52 youths attended the third Mapletree Youth Futsal Camp held at MBC. The fully subscribed, one-day camp was attended by participants aged eight to 18 from Mapletree's beneficiaries, YouthReach and Beyond Social Services (BSS) as well as children of Mapletree's tenants and staff. Participants learned basic futsal skills and put them to the test in friendly matches.

Participants displaying fancy footwork at the third Mapletree Youth Futsal Camp held at MBC, Singapore.

Mapletree sponsored a new training space for Bakers Beyond of BSS at Blk 75 Whampoa Drive to support low-income mothers from the community. The space serves as an avenue for members to meet and develop new recipes, receive training and conduct workshops. It will also benefit other projects by BSS that help participants pick up or improve their skillsets to seek employment.

In line with the Singapore Government's "live, work, play" vision for the Greater Southern Waterfront, Mapletree announced that international technology brand Dyson would relocate its global headquarters to the restored St James Power Station in 2021. This is testimony to Mapletree's success as a precinct developer, following its outstanding transformation of the HarbourFront and Alexandra Precincts.

St James Power Station will be transformed into a technology centre with a heritage gallery.

MLT marked its first foray into sustainable financing with a S$200 million sustainability-linked loan from OCBC Bank. The six-year committed revolving credit facility is designed with reference to MLT's rooftop solar installation programme for its logistics properties in Asia Pacific.

Mapletree acquired two industrial sites in Shah Alam, Selangor, Malaysia, to serve the Greater Kuala Lumpur. The area is highly sought after by 3PL operators and end-users for domestic distribution and last mile delivery. The first site occupies a land area of 61,491 sqm, while the second covers 157,034 sqm.

Mapletree successfully closed a new private trust, Mapletree Australia Commercial Private Trust (MASCOT) at approximately A$654 million (~S$592.4 million) in total fund equity. At closing, the fully invested MASCOT owns a portfolio of 10 Grade A office assets with high occupancy and a diversified tenant base in the Australian gateway cities of Sydney, Melbourne, Adelaide, Brisbane and Perth.

DECEMBER 2019

MLT was added to the STI as a component stock on 23 December 2019. The inclusion will further enhance MLT's visibility and profile among global investors.

Mapletree completed its first UK student housing development project, Westwood Student Mews. The 453-bed development is known to be one of the nearest private PBSA to the University of Warwick.

Mapletree's first UK student housing development project, Westwood Student Mews.

Artists as Citizens: Yinka Shonibare CBE, RA, with Mapletree's Chairman, Mr Edmund Cheng, moderated by Founding Director of NTU CCA, Prof Ute Meta Bauer, held at the Green Bowl, MBC, Singapore.

JANUARY 2020

Mapletree sponsored the second run of Mapletree-SCCCI River Hongbao Hackathon (RHBHacks), supported by the Singapore Chinese Chamber of Commerce & Industry. Themed "Go Local with a Twist", the challenge attracted 24 business proposals from teams of students aged 18 to 29 studying in local tertiary institutions. Nine teams were selected to pitch their ideas to a panel of judges during the hackathon. Three winning teams emerged and had the opportunity to set up stalls at River Hongbao and implement their entrepreneurial ideas.

In conjunction with the Singapore Art Week, Mapletree hosted a conversation titled "Artists As Citizens" with celebrated British artist Yinka Shonibare CBE, RA, highlighting, the importance of arts for placemaking. Besides exploring strategies to activate public spaces through art, the discussion held at The Green Bowl in MBC also deliberated on the importance of corporate partnerships in contributing to cultural vibrancy and sustainability in the urban environment.

In a 50:50 joint venture between Mapletree Investments and MIT, Mapletree Rosewood Data Centre Trust (MRODCT) completed the acquisition of 10 powered shell data centres in North America from Digital Realty for approximately US$557.3 million (~S$772.5 million) on 14 January 2020. On 1 November 2019, MRODCT completed the acquisition of an 80% interest in three fully fitted hyperscale data centres located in North America at a purchase consideration of US$810.6 million (~S$1.1 billion), with the remaining 20% interest held by Digital Realty.

FEBRUARY 2020

Mapletree renewed the Mapletree-TENG Academy Scholarship for the next two years, expanding from four to six scholarships valued at S$10,000 each. For the third year running, Mapletree and The TENG Company are partnering to provide the only Chinese instrumental music scholarship in Singapore for youths from low-income families. The holistic programme looks to develop young talents who demonstrate a passion for Chinese music through robust one-on-one classes, mentorships and performance opportunities.

HIGHLIGHTS OF THE YEAR

MLT completed the acquisition of Mapletree Logistics Centre – Hobeob 2 in Seoul, South Korea for KRW35.8 billion (~S$41.2 million). The property comprising four blocks of dry warehouses with a total GFA of 30,509 sqm is located in Yongin-Icheon, a prime logistics cluster in the Southeast region of the Seoul Metropolitan Area.

MCT rolled out an S$11 million programme to support retail partners affected by the Covid-19 outbreak. The main component is the grant of rental rebates to retail tenants in VivoCity, Singapore.

The Group delivered more than 6,300 bento boxes over a month to frontline staff at local hospitals. The meals were from food and beverage (F&B) tenants of Mapletree malls.

The bento boxes were prepared by Mapletree's F&B tenants.

MLT completed the acquisition of Mapletree Kobe Logistics Centre, a modern four-storey Grade A logistics facility, for JPY22,200 million (~S$299.8 million). The facility with a GFA of 102,127 sqm is strategically located within an established logistics cluster in Kobe, and has a high-quality, diversified tenant mix comprising seven established and reputable tenants, most of whom are handling consumer-related goods.

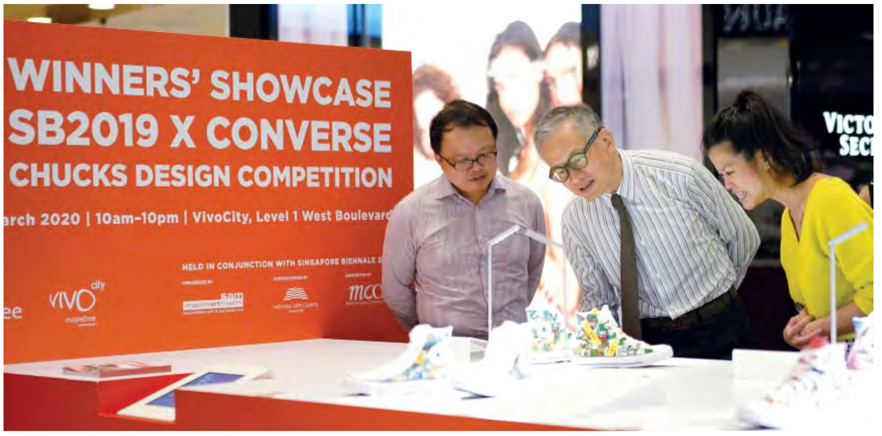
mBAY POINT Makuhari is located in Mihama-ku Chiba-shi, Japan.

Mapletree North Asia Commercial Trust accelerated its income diversification and completed the acquisitions of two freehold multi-tenanted office properties in Greater Tokyo, Japan, from its Sponsor, Mapletree Investments, at a total cost of S$480 million. The acquisitions of mBAY POINT Makuhari and Omori Prime Building at an average NPI yield of 4.5% provides a relatively higher yield spread against the local cost of funds compared to that in the Greater China market.

MARCH 2020

Mapletree inked its first sustainability-linked loan of EUR200 million (~S$316.1 million) from OCBC Bank which links the facility with the Group's key environmental, social and governance initiatives.

Mapletree Kobe Logistics Centre, Japan was acquired for approximately S$299.8 million.



Mapletree supported the SB2019 X Converse Chucks Design Competition, which was held at VivoCity, Singapore.

To support the Australian bushfire disaster relief and recovery efforts, Mapletree committed A$100,000 (~S$90,588) to the Australian Red Cross. The donation will be used for on-the-ground disaster services, immediate assistance grants for affected victims, as well as mid- to long-term recovery efforts.

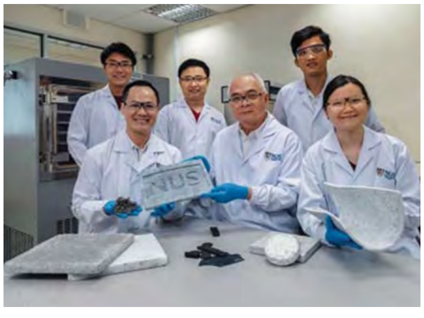
Recognising the importance of supporting the communities in which the Group operates, Mapletree pledged RMB1 million (~S$199,620) to Covid-19 relief efforts in China, via the Singapore Red Cross. Mapletree's efforts towards pandemic relief also included the donation of 6,400 surgical masks to six schools and charity organisations in Chongqing, Foshan, Ningbo, Shanghai and Tianjin. They were distributed to students, teachers and low-income families who had difficulties buying masks.

MCT committed an additional S$18 million of rental relief in the second round of assistance to retail tenants affected by the Covid-19 outbreak.

Mapletree contributed S$155,000 to the National University of Singapore (NUS) to boost research and raise public awareness of scrap tyre recycling. The new technology developed by NUS offers an eco-friendly way to upcycle used rubber by converting it into super-light aerogels that have a higher commercial value. The initiative is aligned with Mapletree's commitment to reduce negative environmental impact by harnessing green technology and integrating sustainable designs in its developments.

Mapletree completed the successful syndication of the Mapletree US & EU Logistics Private Trust (MUSEL) on 31 March 2020. Nearly two times oversubscribed, the US$1.8 billion (~S$2.5 billion) MUSEL fund generated investor demand that surpassed the final allocation of approximately US$450 million (~S$623.8 million). At a total investment value of US$4.3 billion (~S$6 billion), MUSEL is a fully invested yielding portfolio comprising 262 logistics assets in 26 states in the US and 20 cities in seven European countries.

In conjunction with the Singapore Biennale 2019, Mapletree supported the SB2019 X Converse Chucks Design Competition, which saw more than 350 entries from participants aged nine to 23. The winning entries were showcased at VivoCity, Singapore, attracting more than 17,500 visitors to view the artworks and vote for the People's Choice.



A team of researchers from NUS developed the world's first aerogels made from scrap rubber tyres.

1 The total project cost of about S$263 million includes the book value of the Kolam Ayer 2 Cluster at S$70.2 million as at 31 March 2019, prior to the redevelopment's commencement.

FINANCIAL REVIEW

5-YEAR FINANCIAL SUMMARY

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
(A) INCOME STATEMENT For the financial year ended 31 March (S$ million)					
Revenue[1]	1,865.8	2,328.7	3,182.4	3,821.2	**3,877.0**
EBIT + SOA[1]	1,294.6	1,572.0	1,667.5	2,091.9	**2,308.1**
Recurring PATMI[1]	503.6	640.7	618.1	713.2	**752.0**
PATMI	965.2	1,413.7	1,958.6	2,161.1	**1,778.5**
PATMI attributable to Equity Holder of the Company	915.6	1,349.6	1,873.6	2,088.3	**1,705.5**
(B) BALANCE SHEET As at 31 March (S$ million)					
Investment properties	28,563.6	30,686.4	37,422.3	46,975.6	**46,371.1**
Properties under development	1,647.2	1,663.0	409.8	805.0	**1,129.7**
Investments in associated companies and joint ventures	871.0	1,279.0	1,509.4	1,056.3	**3,606.4**
Cash and cash equivalents	1,027.0	1,179.8	1,267.6	1,896.3	**2,440.1**
Others	849.2	1,451.0	1,965.9	4,255.6	**2,064.1**
Total Assets	32,958.0	36,259.2	42,575.0	54,988.8	**55,611.4**
Total borrowings/medium term notes	13,219.3	13,095.5	16,623.4	23,410.2	**21,565.8**
Non-controlling interest and other liabilities	9,797.4	11,979.6	13,165.7	16,986.1	**17,960.8**
Shareholder's funds	9,941.3	11,184.1	12,785.9	14,592.5	**16,084.8**
Total Equity and Liabilities	32,958.0	36,259.2	42,575.0	54,988.8	**55,611.4**
(C) FINANCIAL RATIOS As at 31 March					
ROE	9.6%	12.8%	15.7%	15.3%	**11.2%**
ROIE	9.7%	18.7%	8.7%	10.4%	**21.6%**
ROTA	6.5%	7.1%	8.8%	8.2%	**6.1%**
Net Debt/Total Equity Ratio	67.3%	55.4%	63.5%	78.0%	**62.5%**
Interest Cover	5.3x	4.7x	4.6x	3.4x	**3.4x**

KEY HIGHLIGHTS – FY19/20

- Mapletree recorded a PATMI of S$1,778.5 million in Financial Year 2019/2020 (FY19/20), an 18% decline from the historical peak of S$2,161.1 million achieved in the previous financial year. ROE decreased from 15.3% (FY18/19) to 11.2% (FY19/20). The decline was largely attributable to lower revaluation and disposal gains, which came in at S$823.7 million[2] and S$266.5 million[3] respectively during the financial year. However, based on original invested costs (OIC), the divestment of Mapletree Bay Point in Hong Kong SAR and Mapletree Business City II (MBC II) during the year resulted in ROIE rising significantly from 10.4% (FY18/19) to 21.6% (FY19/20).

- Driven by Europe and USA's (EUSA) logistics business, the Group's revenue grew marginally by 1% year-on-year (y-o-y). This countered the decline resulting from the exit of non-core business operations within Oakwood. Notwithstanding the above, EBIT + SOA reflected a 10% y-o-y growth to S$2,308.1 million[1] with strong contributions from EUSA's logistics business as well as data centre assets in the United States (US).

- As at 31 March 2020, the Group's total assets stood at S$55.6 billion, a 1% increase from S$55.0 billion in FY18/19, largely driven by the joint acquisition of a North American data centre portfolio with Mapletree Industrial Trust (MIT). With the acquisition, the Group has further broadened the diversification of its asset portfolio. Meanwhile, total shareholder's funds increased by 10% to S$16,084.8 million with the S$1,778.5 million recorded in the Group's PATMI for the year.

- Through its prudent approach in capital management, net gearing was 15.5 percentage points lower at 62.5% as at 31 March 2020.

- The Covid-19 outbreak resulted in severe economic impact on markets in which the Group operates. The impact on the various asset classes has been uneven and the full effect is difficult to assess given that the situation remains fluid. However, the Group maintains ample financial flexibility with S$14.9 billion in cash and undrawn facilities at the end of the financial year and is well-positioned to weather this economic headwind as well as to capitalise on any opportunities which may arise.

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

- The Group deepened its presence in the fast-growing data centre space with the acquisition of 10 powered shell and three fully fitted hyperscale data centres in North America via a 50:50 jointly owned vehicle of Mapletree Investments and MIT. On the back of the acquisition, the Group's exposure to the asset class increased from 2% of total asset under management (AUM) in FY18/19 to 5% in FY19/20.

- On the commercial front, the Group expanded its portfolio with the acquisition of office buildings in Australia, Ireland and Poland, at a total transaction value of approximately S$1 billion.

- In terms of development projects, the Group added 27 new projects to its logistics portfolio in China during the financial year, taking the Group's logistics footprint in China to 6 million square metres (sqm) of gross floor area (GFA) as at 31 March 2020, a 40% increase y-o-y. A total of 10 properties covering 0.68 million sqm in GFA were also completed during the year. The logistics asset class remains as the largest contributor to the Group's AUM, comprising about 30% or S$18.1 billion of total AUM.

Strategic divestments

- In May 2019, Mapletree completed the divestment of Mapletree Bay Point, a Grade A office building in Hong Kong SAR, for approximately S$1.7 billion.

- Prior to the close of the financial year, the Group also successfully divested a partial stake in one of its private funds, Mapletree US & EU Logistics Private Trust (MUSEL) to various institutional investors, family offices and high net worth individuals. The Group's stake in MUSEL was reduced from 64.09% to 33.25% during the financial year. This enabled the Group to reduce its net gearing to 62.5% as at 31 March 2020, providing it with a greater bandwidth to respond to potentially fast-changing market conditions.

Capital management

- As a capital manager in real estate investment trusts (REITs) and private funds, the Group executed a number of strategic transactions.

    o In November 2019, MCT acquired MBC II from Mapletree Investments for S$1.55 billion. With a total net lettable area of approximately 111,484 sqm encompassing four blocks of business park space as well as the common carpark, multi-purpose hall and retail area, the distribution per unit/net asset value

FINANCIAL REVIEW

accretive acquisition completes MCT's control over all assets under the fully rejuvenated Alexandra Precinct.

- o Mapletree Logistics Trust (MLT) acquired assets with a total value of S$717.2 million in the second half of 2019, which included the acquisition of a 50% interest in four China logistics properties developed by Mapletree Investments. In the prior financial year, MLT had similarly acquired a 50% interest in 11 such properties in China. Outside China, MLT also deepened its coverage across other key Asia Pacific markets, with a 100% acquisition of four logistics properties located in Malaysia, Vietnam and Japan from Mapletree Investments.

- o In February 2020, Mapletree North Asia Commercial Trust (MNACT) acquired two freehold office properties in Japan from Mapletree Investments for approximately S$480 million. The acquisition is part of the MNACT's strategy to achieve further diversification of MNACT's portfolio.

- o In November 2019, a portfolio of 10 Grade A office assets with AUM of S$1.3 billion in Australia was syndicated to a new private fund, Mapletree Australia Commercial Private Trust (MASCOT). The fund, which provides a target internal rate of return (IRR) of 12%, net of all taxes and fees, except performance fee, was well-received by institutional investors seeking yields.

- o The Group's managed private fund, Mapletree India China Fund (MIC Fund)[4] completed the successive divestments of VivoCity Nanhai in China and Global Technology Park in India respectively during the financial year. The fund officially exited in April 2020 and achieved a net IRR[5] estimated at around 13.6%.

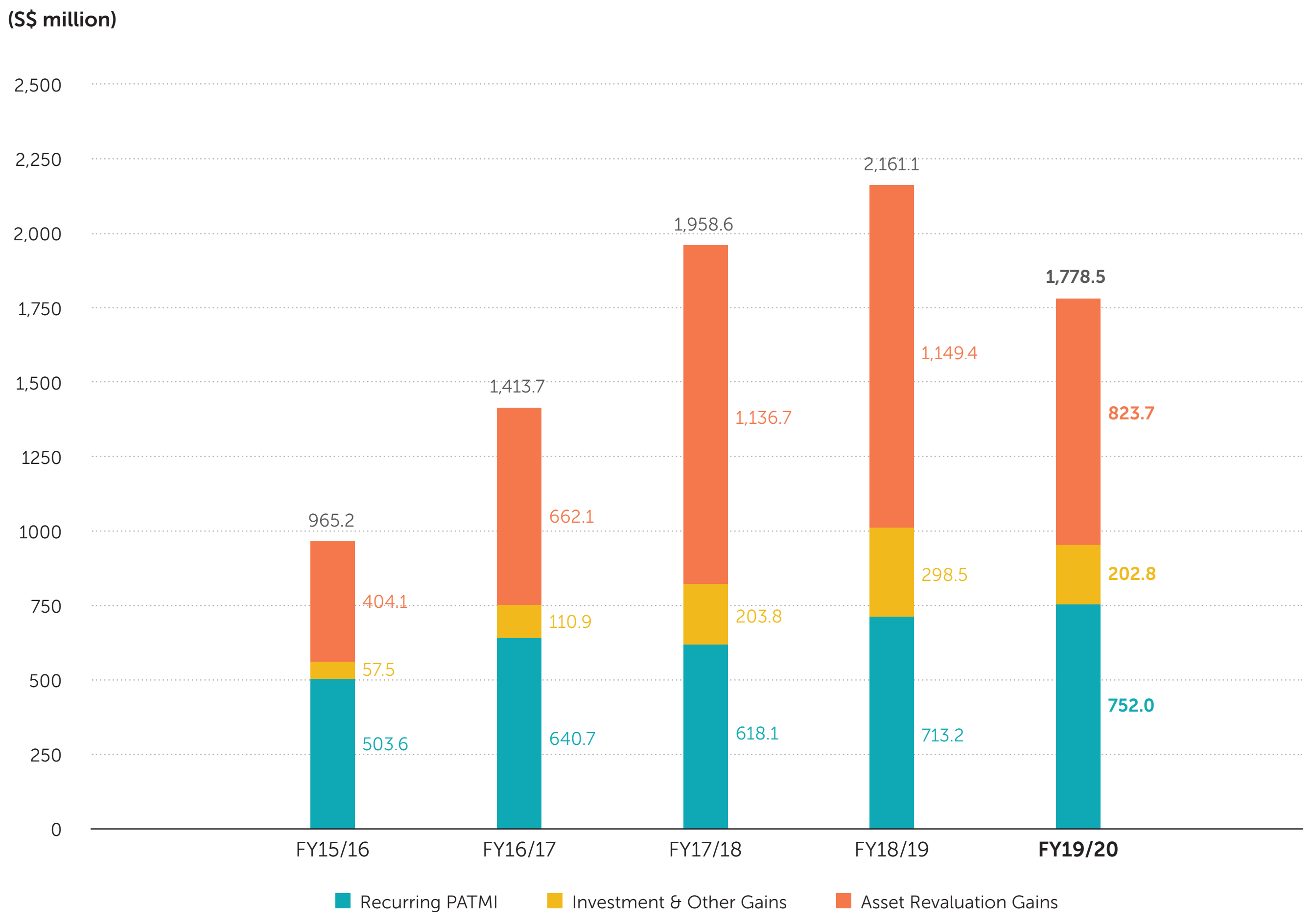
- o Mapletree's Japan-focused logistics development fund sold all its assets during FY19/20, with nine Japan properties acquired by a third party and one acquired by MLT.

- o In FY19/20, the Group earned a total incentive fee income of S$142.0 million from fund closure.

- In FY19/20, MCT, MIT and MLT raised a total gross proceeds of S$2.1 billion from the capital market through equity fund raising amounting to S$1.6 billion, bond issuance of S$0.1 billion and medium term note issuance of S$0.4 billion. The fund raised largely financed various acquisitions over the course of the year, some of which were in conjunction with Mapletree's capital management initiatives.

PATMI

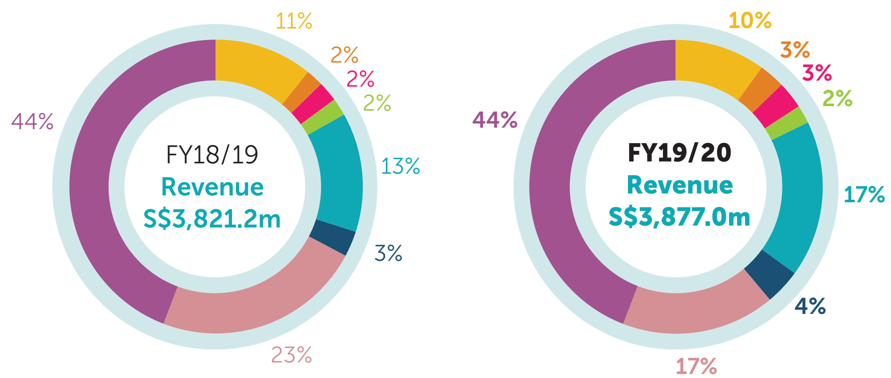
The breakdown of the Group's PATMI is shown below:

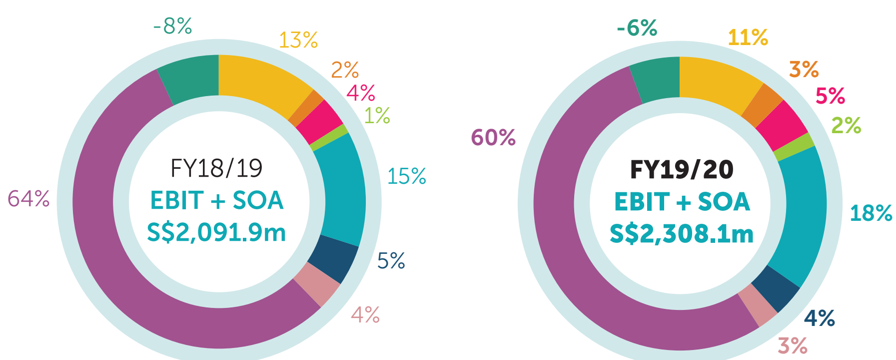


- The Group achieved a Recurring PATMI of S$752.0 million, an increase of 5% y-o-y, driven by a full year's contribution from the US and Europe logistics portfolio and new acquisitions in FY19/20.
- Overall, the Group's PATMI decreased by 18% to S$1,778.5 million in FY19/20, due to lower asset revaluation and disposal gains.

FINANCIAL REVIEW

REVENUE AND EBIT + SOA HIGHLIGHTS BY STRATEGIC BUSINESS UNITS (BU)



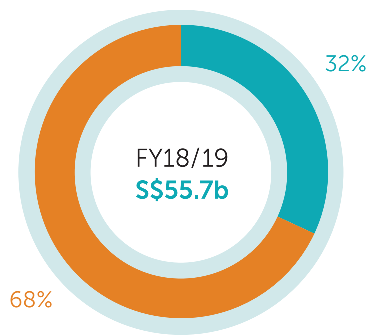


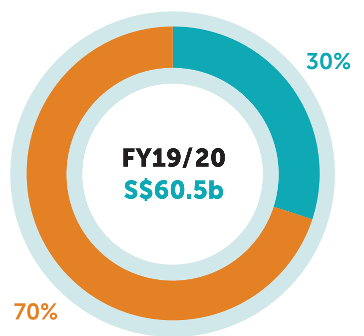
South East Asia & Group Retail | Logistics Development | Data Centre | China & India | EUSA | Australia and North Asia | Group Lodging (includes Oakwood) | REITs & REITs management companies | Others

- In FY19/20, the Group's revenue increased 1% y-o-y to S$3,877.0 million[1]. This was largely contributed by the EUSA business unit, through its logistics properties as well as the acquisition of commercial properties in Ireland and Poland in FY19/20.

- The Group's EBIT + SOA improved 10% from a year ago to S$2,308.1 million[1]. REITs and their respective management companies continued to account for the lion's share of Mapletree's EBIT + SOA. Apart from REITs, EUSA accounted for 18% of the Group's EBIT + SOA, an increase from 15% in the last financial year. The bulk of the uplift in EBIT + SOA was due to higher contributions from EUSA and the data centre business, which booked maiden SOA contributions from three fully fitted hyperscale data centres acquired in November 2019, in addition to the 10 powered shell facilities that also made maiden contributions to the top line. South East Asia & Group Retail's business unit remains the third largest in contributions at 11%.

TOTAL REAL ESTATE ASSET BASE

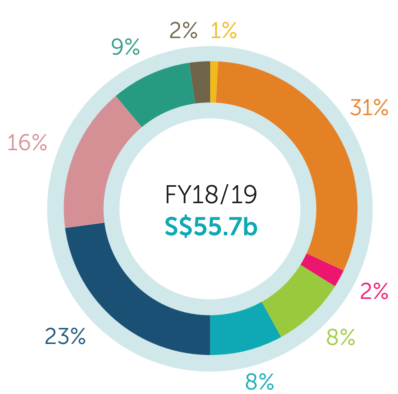


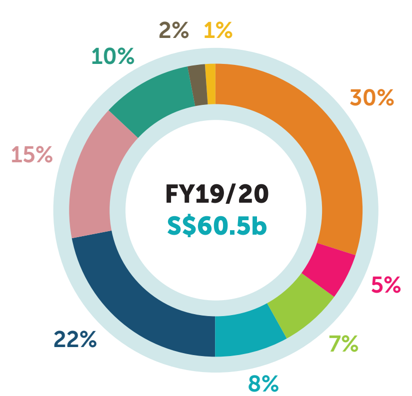


Owned Assets   Third-party AUM

The Group continued to achieve growth in its real estate AUM, which increased 8% y-o-y to S$60.5 billion. The managed AUM grew by 2 percentage points to 70% with the launch of a new private fund, MASCOT, a 50:50 joint-purchase of the data centres in North America with MIT and the acquisition of assets by the REITs during the year.

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



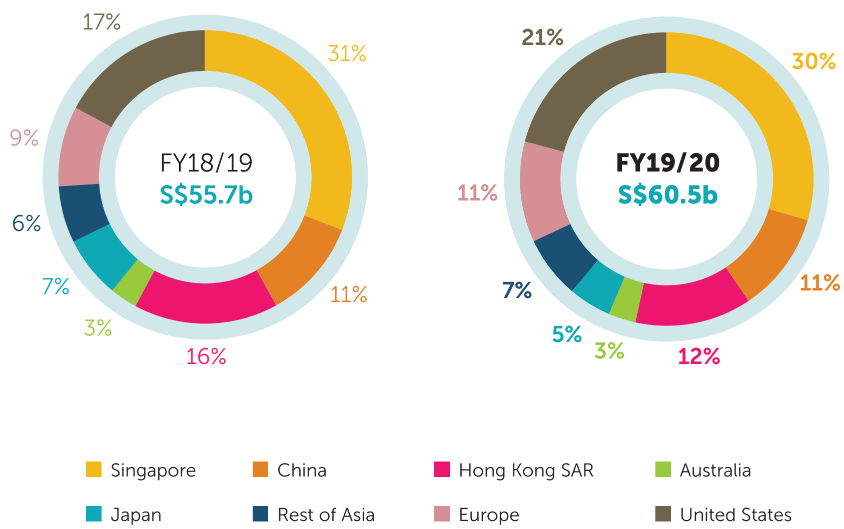


Logistics remains as the Group's largest asset class at 30% of overall AUM. The acquisition of more data centres in North America has lifted the Group's data centre portfolio to comprise 5% of AUM, an increase of 2% from the previous financial year. The move is in line with the Group's strategy to scale up its portfolio in this stable and resilient asset class.

Mixed-use   Logistics   Data Centre   Industrial   Business Park
Office   Retail   Lodging   Others

FINANCIAL REVIEW

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



To date, the Group owns and manages real estate assets across 13 markets.

Mapletree's total owned and managed real estate assets in Europe and the US accounted for 32%. This was an increase of 6 percentage points from the previous financial year, mainly attributable to the new acquisitions of data centres and offices across European and North American markets. Mapletree's presence in Japan and Hong Kong SAR decreased due to the divestment of MJLD's assets and Mapletree Bay Point.

Singapore remains predominant, with the largest proportion of assets at 30%.

Glossary	
EBIT + SOA	Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
Interest Cover	EBIT + SOA over net finance costs
Net Debt/Total Equity Ratio	Borrowings (excludes loans from non-controlling interests) less cash and cash equivalents over total equity.
PATMI	PATMI denotes net profit after tax and non-controlling interests attributable to Perpetual Securities Holders and Equity Holder of the Company.
ROE	ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.
ROIE	ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC). *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and loss and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.
ROTA	Return on total assets (ROTA) is computed based on profit for the year less finance cost/(income), net of tax over the average total assets of the last 12 months.

1 Numbers are restated as incentive fee and residential profits are excluded from "Recurring PATMI". They are not deemed to be the core business activities for the Group.

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

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

4 MIC Fund was fully realised in April 2020.

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

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

FINANCIAL MARKET REVIEW

2019 was a challenging year for the global economy, against the backdrop of geopolitical events, including trade conflict between the United States (US) and China, Britain's exit from the European Union and social unrest in Hong Kong SAR. It resulted in the slowest growth in a decade, which in turn dented business confidence and investment. The start of 2020 brought further challenges, led by the coronavirus pandemic; the severity of which will depend on the duration and geographic extent of the outbreak.

The Singapore economy expanded by 0.7% in 2019, mainly due to a decline in the manufacturing sector. The Monetary Authority of Singapore has, in April 2020, set the rate of the appreciation path of the Singapore Dollar at 0%, against a backdrop of less favourable macroeconomic conditions. China's economy grew 6.1% in 2019, lowest in 29 years, as it faced weaker domestic demand and escalating trade tensions with the US. The US economy grew 2.3% in 2019, its slowest in three years.

In response to the Covid-19 outbreak, major central banks have responded with sizeable monetary easing, supported by fiscal stimulus to soften the impact on targeted sectors. The US Federal Reserve cut interest rates to near zero, shortly after a rate cut of 0.5% in early March 2020. The United Kingdom (UK) and Australia also had two rate cuts in March 2020. Many Asian central banks followed suit. The European Central Bank and the Bank of Japan kept interest rates on hold, as both central banks ramped up monetary stimulus measures to support the economies.

FINANCIAL RESOURCES AND LIQUIDITY

During the year, Mapletree continued to proactively build a strong base of funding resources. This enables Mapletree to capitalise on investment opportunities. On an ongoing basis, the Group monitors and manages its cash flow position, debt maturity profile, cost of funds, foreign exchange and interest rate exposures, as well as overall liquidity position. To ensure sufficient financial flexibility for the Group to meet its commitments, scenario analyses, including stress tests, are performed regularly to assess the potential impact of market conditions on its financial position.

As at 31 March 2020, total cash reserves and undrawn banking facilities amounted to S$14,098 million.

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

- Mapletree Treasury Services Limited raised S$300 million 3.15% 12-year fixed rate notes in September 2019. The proceeds were used for general corporate purposes.
- Mapletree Commercial Trust (MCT) issued S$250 million 3.05% 10-year fixed rate notes in November 2019. The proceeds were used to refinance existing borrowings and for general corporate purposes.
- Mapletree Logistics Trust (MLT), via an indirectly invested onshore structure, issued a total of MYR700 million (~S$230 million) seven-year unrated senior medium term notes in December 2019. The proceeds were used to refinance existing borrowings and fund new acquisitions.

The Group also embarked on sustainable financing during the year, securing a total amount of S$1.36 billion of green and sustainability-linked loans. The loans were for financing green buildings or designed to link with key environmental, social and governance (ESG) initiatives that the Group focuses on. This demonstrates the Group's commitment to incorporating sustainability throughout its business operations.

DEBT AND GEARING

As at 31 March 2020, the Group's net debt was S$19,087 million compared to S$22,100 million as at 31 March 2019. Net Debt/Total Equity improved to 62.5% from 78.0% a year ago and Total Debt/Total Assets improved to 38.9% from 43.6% during the same period.

The decrease in debt was primarily due to the closing of a new private trust, Mapletree Australia Commercial Private Trust (MASCOT) in November 2019 and the successful syndication of the Mapletree US & EU Logistics Private Trust (MUSEL) in March 2020, raising equity from a diversified group of investors.

Financial Capacity	S$ million
Cash	2,440
Unutilised Facilities from Financial Institutions	11,658
Total	**14,098**
Issue Capacity under Euro/Medium Term Note Programmes	**14,860**

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

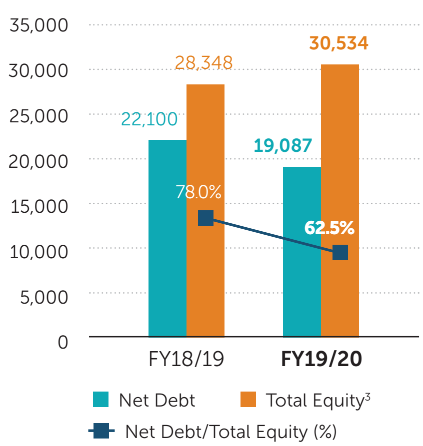
The syndications are in line with the Group's business model, which includes being an active capital manager in both public and private markets.

In May 2019, the Group divested Mapletree Bay Point in Hong Kong SAR to a private equity firm.

	As at 31 March 2019 (S$ million)	**As at 31 March 2020 (S$ million)**
Total Debt	24,000[1,2]	21,527[2]
Cash	1,900[1]	2,440
Net Debt	22,100	19,087

NET DEBT/TOTAL EQUITY

(S$ million)

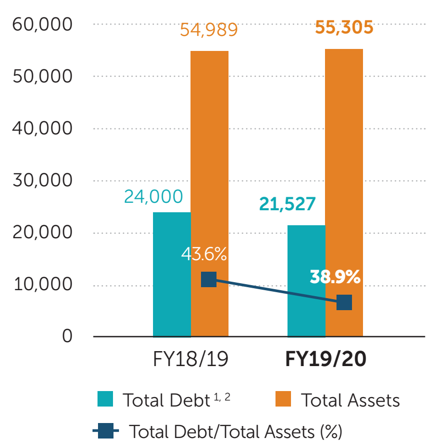


The following assets were also acquired by Mapletree-managed listed real estate investment trusts (REITs):

- Mapletree Business City II by MCT in November 2019;
- Various logistics assets in China, Malaysia and Vietnam by MLT in November 2019; and
- Two office properties in Japan by Mapletree North Asia Commercial Trust in February 2020.

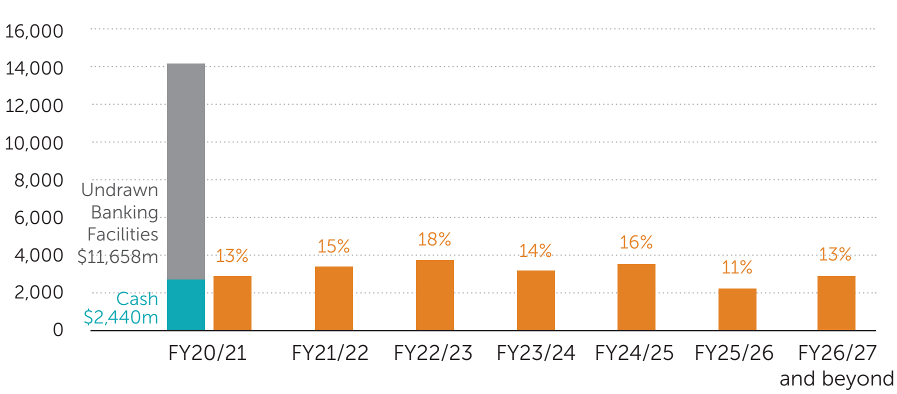
TOTAL DEBT/TOTAL ASSETS

(S$ million)



MATURITY PROFILE AS AT 31 MARCH 2020

(S$ million)



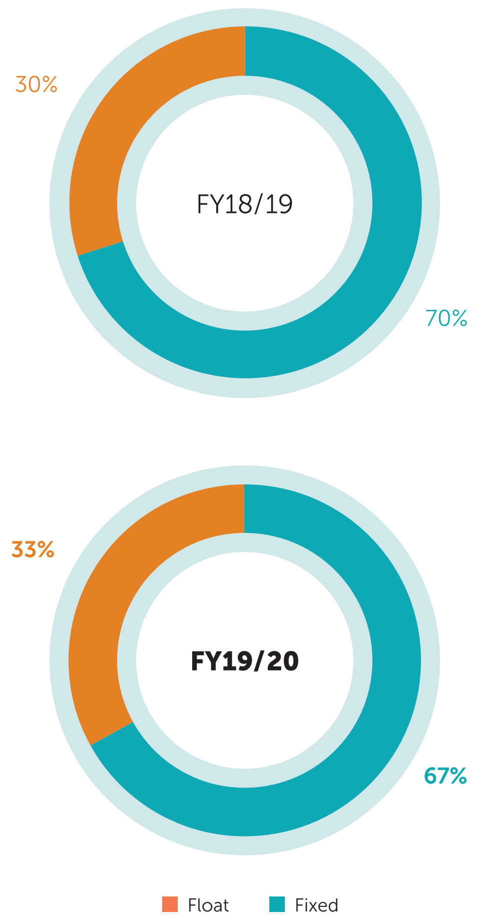
The funds derived through these transactions were used by the Group to repay its debt and finance its expansion. Mapletree continues to deepen its presence in various asset classes and markets, such as data centres in the US, logistics in Malaysia and Japan as well as offices in Australia, China Tier 1 cities, India, Ireland and Poland. In addition, the Group made further progress on the development front with 27 new logistics projects in China, student accommodation in the UK and the US and a residential project in Vietnam.

As at 31 March 2020, about 99.4% of the Group's debt was derived from committed banking facilities and medium- to long-term bond issuance. The balance 0.6% was funded by short-term banking facilities to facilitate repayment flexibility arising from cash flows from operations and/or other activities.

The Group makes a conscious effort to diversify its funding sources and spread its debt maturity profile to reduce refinancing risk and to align with its cash flow plans. The average maturity of its existing gross debt portfolio was 3.6 years as at 31 March 2020 compared to 3.8 years a year ago. The Group has sufficient resources to support its refinancing needs for the next financial year.

Mapletree continues to maintain and build active relationships with a wide network of banks and life insurance companies across the globe. The diversification of financial institutions has enabled the Group to tap on the different strengths and competencies of its relationship banks to support Mapletree's business strategy and growth globally.

FIXED VS FLOAT

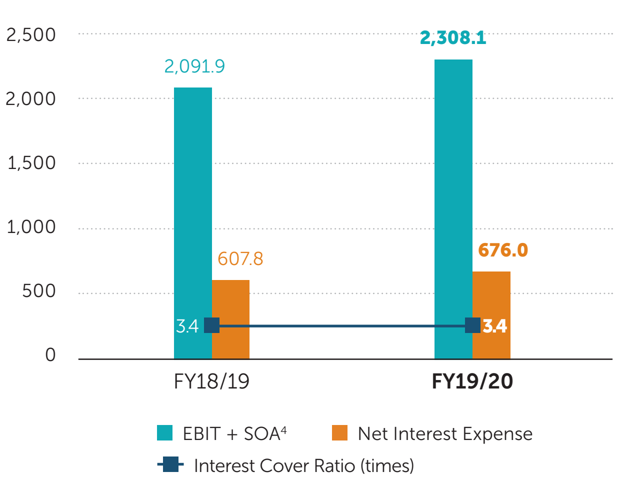


The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings as part of its liability management strategy. The Group uses derivative financial instruments to hedge its interest rate risks. Fixed rate borrowings made up 67% of the Group's total gross debt with the balance from floating rates borrowings. Factors used in determining the interest rate fixed-float profile included the interest rate outlook, the investments' planned holding period, and the expected cash flows generated from business operations.

In FY19/20, the Group's interest cover ratio maintained at 3.4 times and cash flow cover ratio (including finance costs capitalised) improved to 3.7 times (FY18/19: 3.6 times).

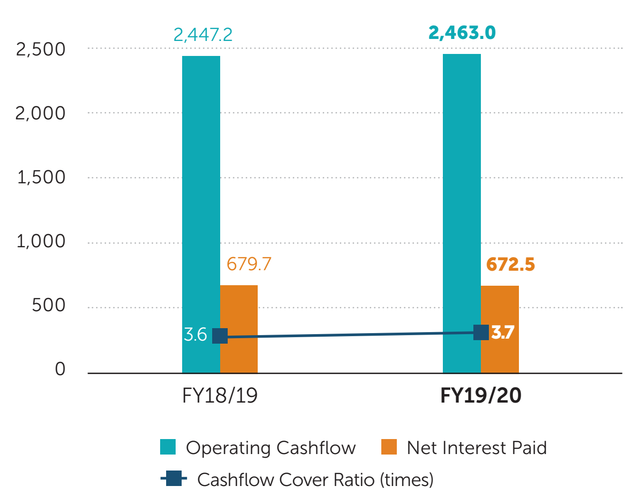
INTEREST COVER RATIO

(S$ million)



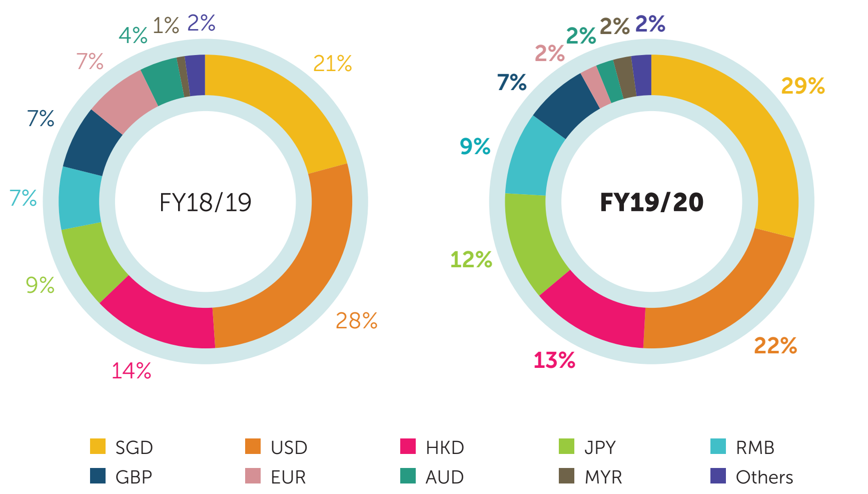
CASHFLOW COVER RATIO

(S$ million)

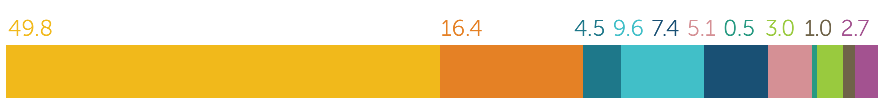


CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

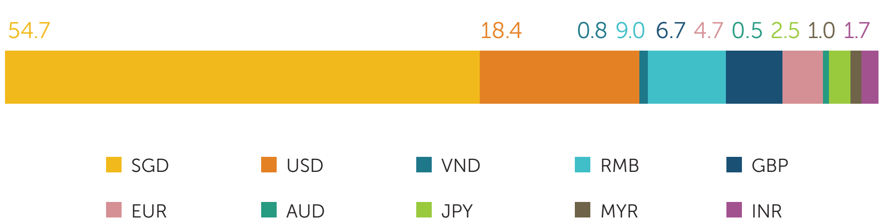
DEBT PROFILE (CURRENCY BREAKDOWN)



ASSETS (%)



LIABILITIES[5] AND EQUITY (%)



ASSET-LIABILITY MANAGEMENT

Where feasible, the Group adopts a natural hedge policy to mitigate risks from foreign exchange exposure. As at 31 March 2020, the Group has drawn foreign currency loans to fund investments that are denominated in the same currencies. The Group also entered into foreign exchange forward contracts and cross currency swaps (in various currencies) to hedge the currency exposure of certain overseas investments.

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

Outside of the REITs, the Group seeks to minimise foreign exchange exposure by closely matching its assets and liabilities by currency. On the left is an analysis of the asset-liability breakdown by currency excluding the consolidation of the REITs as at 31 March 2020.

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

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

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

4 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

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

AWARDS AND ACCOLADES

INVESTMENT & CAPITAL MANAGEMENT

Best Foreign Real Estate Enterprises 2020 – Ranked 9th Place
Guandian.cn, China
Mapletree Investments Pte Ltd

2019 All-Asia Executive Team (Developed Markets – Small and Mid Caps) – Ranked 3rd Place for Best Corporate Governance (Singapore), Best IR Companies (Singapore) and Best ESG/SRI Metrics (Singapore)
Institutional Investor
Mapletree Industrial Trust

SIAS Investors' Choice Awards 2019 – Most Transparent Company Award in the REITs and Business Trusts Category (Runner-up)
Securities Investors Association Singapore
Mapletree Industrial Trust

Singapore Corporate Awards 2019 – Best Annual Report in the REITs & Business Trusts Category (Bronze)
Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times
Mapletree Logistics Trust

The Edge Billion Dollar Club 2019 – Best Performing Stock (REIT Category)
The Edge Singapore
Mapletree Logistics Trust

The Edge Billion Dollar Club 2019 – Most Profitable Company (REIT Category)
The Edge Singapore
Mapletree Industrial Trust

The Edge Billion Dollar Club 2019 – Overall Sector Winner and Fastest Growing Company (REIT Category)
The Edge Singapore
Mapletree Commercial Trust

BUILDING EXCELLENCE

International Design Awards 2019 – Architecture Categories (Residential Building) (Bronze)
International Design Awards
Pablo Fanque House

Reading in Bloom 2019 – Commercial Landscape Category (Gold)
Reading in Bloom Committee
Green Park

BUSINESS SUSTAINABILITY

BCA Green Mark Award 2020 (Platinum)
Building and Construction Authority, Singapore
St James Power Station

BCA Green Mark Award 2020 (Gold^{Plus})
Building and Construction Authority, Singapore
HF3 Residential Site

Water Efficient Building Certification 2020
Public Utilities Board, Singapore
18 Tai Seng

Water Efficient Building Certification 2019
Public Utilities Board, Singapore
Tanjong Pagar Distripark

Biodiversity Benchmark Award for a Living Landscape 2019 – Single Site Certification
The Wildlife Trusts
Green Park

BREEAM Certification 2019 (Excellent)
BREEAM
West Station II

Green Apple Award – Environmental Best Practice 2019 (Gold)
Green Earth Appeal
Green Park

Indoor Air Quality Certificate 2019 (Good Class) – Common Areas of Shopping Mall
Environmental Protection Department, Hong Kong SAR
Festival Walk

RETAIL & SERVICE EXPERIENCE

Readers' Choice Awards 2020 – Best Shopping Mall (Silver)
Expat Living
VivoCity

DestinAsian Readers' Choice Awards 2020 – Top 5 Serviced Residence Brands
DestinAsian Media Group
Oakwood

Singapore Tourism Awards 2019 – Best Shopping Mall Experience (Finalist)
Singapore Tourism Board
VivoCity

Leading Serviced Apartment Brand 2019 in India, Japan, Singapore, South Korea and Thailand
World Travel Awards
Oakwood

Sing Tao Parents' Choice – Brand Awards 2019 – Mall's Cartoon Character Themed Events Award
Sing Tao Daily
Festival Walk

World Luxury Hotel Award 2019 – Luxury Serviced Apartment Continent Winner (Asia)
World Luxury Hotel Awards
Oakwood Residence Saigon

World Travel Awards 2019 – Vietnam's Leading Hotel
World Travel Awards
InterContinental Saigon

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

Mapletree embarked on its third Five-Year Plan in Financial Year 2019/2020. Focusing on proactive, disciplined asset and capital management, Mapletree believes in executing the key elements of the Group's business model well to ensure a continued sustainable stream of income and high profitability.

THIRD FIVE-YEAR PLAN

Key Performance Indicators		Remarks	Targets
Returns	Average ROIE[1]	Cash on cash returns for shareholder	10% to 15%
	Average ROE[2]	Commonly used returns measurement	10% to 15%
Earnings/Cash Flow	Average Recurring PATMI[3]	Recurring earnings of the business	S$900 million to S$1 billion
	Recycled Proceeds[4,5]	Cash flow recycled for new investments/ re-investments	>S$20 billion
Capital Management	Fee Income[4]	Fees from capital management business	>S$2.5 billion
	AUM Ratio	Efficiency of capital employed	>3x
	AUM	Simple measurement of scale	S$80 billion to S$90 billion

1 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

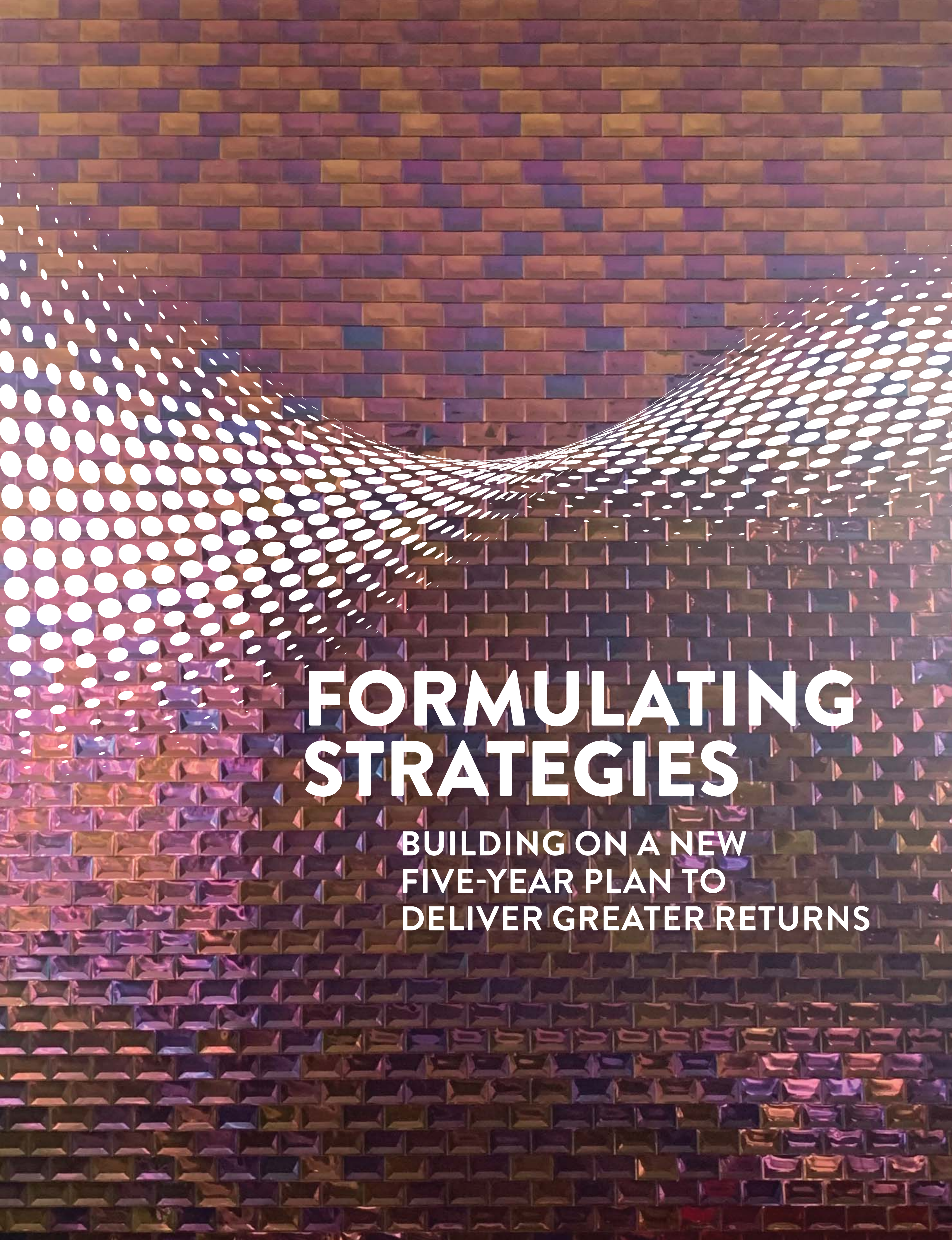
2 ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.

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

4 KPIs measured on a five-year cumulative basis.

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

* *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and loss and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.*



FORMULATING STRATEGIES

BUILDING ON A NEW FIVE-YEAR PLAN TO DELIVER GREATER RETURNS

OPERATIONS REVIEW
SOUTH EAST ASIA AND GROUP RETAIL

The South East Asia and Group Retail business unit develops, invests in and manages eight asset classes (office, retail, business parks, residential, serviced apartments, hotel, industrial and warehouses) in the region, to establish a platform for sustainable returns.

The business unit generates income for the Group through its portfolio of operating assets, as well as through various investment and capital management activities including a real estate mezzanine fund and development profits.

As at 31 March 2020, the combined real estate portfolio totalled S$3.7 billion across Singapore, Vietnam and Malaysia. In Financial Year 2019/2020 (FY19/20), the business unit contributed S$261.1 million to the Group's EBIT + SOA[1]. Fee income contributions were S$0.9 million.

SINGAPORE COMMERCIAL

Creating value through renewal and rejuvenation

Mapletree embarked on the adaptive reuse of St James Power Station at the HabourFront Precinct to create a new business destination at the prime part of the Greater Southern Waterfront. When completed, it will become the new global headquarters of Dyson, a leading international technology company. The restored monument will also house a heritage gallery and a heritage trail featuring maritime artefacts.

Land at the site of the former SPI Building has been reclaimed for future development. Planning permission for the residential site at King's Dock has been obtained and further design of the development and construction of the sales gallery is in progress.

The success of Mapletree Business City II (MBC II) marked the completion of the transformation of Alexandra Precinct into a premium business hub. Interest in MBC II made it an ideal acquisition target for Mapletree Commercial Trust's (MCT) portfolio. The asset was successfully divested in November 2019 to MCT, adding another quality asset in MCT's portfolio.

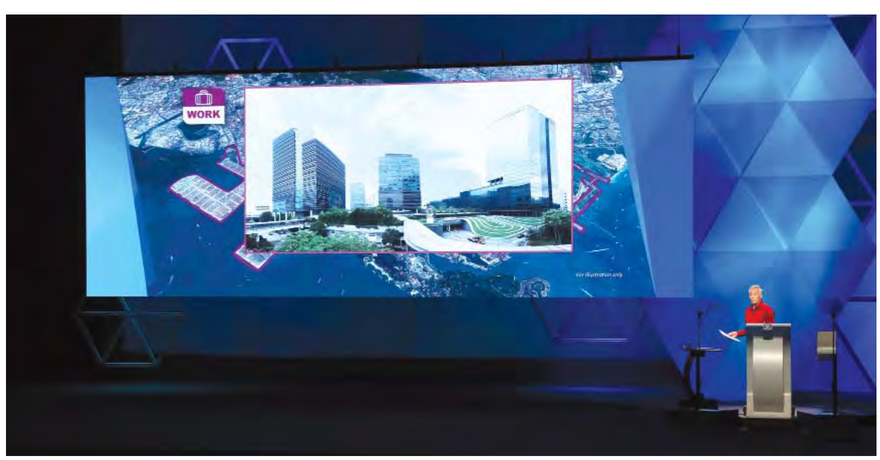
VIETNAM

Growth and stability

Mapletree's portfolio of high-quality commercial assets in central Ho Chi Minh City (HCMC) and Hanoi continued to enjoy high occupancies and positive rent reversions. Asset enhancement initiatives at SC VivoCity increased net lettable area (NLA) and created space for new anchor tenants.

The hospitality assets also saw improvements in room rates. InterContinental Hotel performed well, clinching Vietnam's Leading Hotel and Vietnam's Leading Business Hotel in the World Travel Awards 2019. However, the restriction of international travel and social distancing measures as a result of the Covid-19 pandemic impacted the hospitality sector in the last two months of the fiscal year.

Mapletree's residential project in Vietnam, One Verandah, obtained its Temporary Occupation Permit in April 2020 and is on schedule for handover.



Prime Minister Lee Hsien Loong featured MBC II, and the potential of the Greater Southern WaterFront, in the 2019 National Day Rally. The success of MBC II has led Alexandra Precinct to be the home of the best global companies and recognised as an established business precinct. (Photo: Ministry of Communications and Information of Singapore)

FY19/20 also saw the completion and successful lease-up of the Build-to-Suit facility and new phases of the industrial park at Binh Duong.

MALAYSIA

Mapletree provides mezzanine loan financing for three residential projects in Kuala Lumpur (KL) and Selangor.

28BLVD and Lexa Residence are fully sold and have already obtained vacant possession.

COVID-19 PANDEMIC

The pandemic took a toll across many countries as it spread throughout Asia from January 2020.

Our priority has been to safeguard the health and welfare of staff, tenants and the community. Assistance to support tenants has also been rolled out.

The larger impact of Covid-19 will be felt and seen in FY20/21 as respective governments roll out enforcements of Covid-19 measures, from social distancing, travel restrictions, closures and lockdowns of varying degrees.

Retail and hospitality businesses will remain the more impacted asset classes.

Mapletree initiated a programme in February 2020 to deliver free lunch to our frontline healthcare care workers to encourage and show support to them. The meals provided were from Mapletree's tenants and was one of the first measures of helping our tenants affected by slower business due to Covid-19.

MARKET REVIEW AND OUTLOOK

Singapore

Based on data from the Ministry of Trade and Industry (MTI), the Singapore economy contracted 0.7% year-on-year (y-o-y) in Q1 2020, reflecting the fall in external demand and supply chain disruptions from policies implemented by governments worldwide to curb the Covid-19 outbreak. MTI had also downgraded Singapore's gross domestic product (GDP) growth forecast a second time to be between -7% and -4% for 2020.

Through the amalgamation and extension of shop units and lease lines, additional NLA was created at SC VivoCity, Vietnam.

According to the Urban Redevelopment Authority, retail vacancy rates rose to 8%, while rentals fell by 2.3% in Q1 2020, from the 2.3% increase in the previous quarter. Despite rental reliefs, Covid-19 is expected to greatly affect retail in 2020.

Vietnam

The Covid-19 pandemic saw Vietnam's GDP growth rate decline to 3.8% y-o-y in Q1 2020, while inflation rates fell to 2% y-o-y, the lowest rate of increase in several years. Over the same period, registered foreign direct investment reached US$8.6 billion, representing a 20.6% decline y-o-y.

HCMC Grade A office occupancies contracted by 4.3 percentage points to 92.7% due to the addition of 141,743 square metres (sqm) of new office buildings.

Notwithstanding the increase in supply, the stock of international-grade office buildings in HCMC remains limited and this should support rents and occupancies moving forward.

In Hanoi, Grade A office vacancy reached 8.3%. Another 126,000 sqm is expected to be added in 2020 and this should weigh on the rental outlook for the foreseeable future.

Retail sales declined 4.8% y-o-y for the first five months of 2020, based on reports from the General Statistics Office. Vacancies remain elevated at 8.2% for the non-central business district retail sector, and about 72,207 sqm of supply is expected to complete in 2020.

Vietnam's hospitality sector saw a 48.8% fall in foreign visitors for the first five months of 2020. Overall occupancy rates for HCMC declined to 48%, due to the overhang from the restriction of international air travel and contraction in the global economic outlook.

Malaysia

Malaysia's GDP growth slowed to 4.3% in 2019, from 4.7% in the previous year. To reduce the significant amount of unsold completed condominium and apartment stocks in KL and Selangor, the price threshold for foreigners was lowered from MYR1 million to MYR600,000 in 2020.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

References:

i. Ministry of Trade and Industry, Singapore

ii. Ministry of Planning and Investment, General Statistics Office of Vietnam

iii. URA Realis

iv. BNM Quarterly Bulletin

v. NAPIC

vi. CBRE Reports

vii. Knight Frank Report

viii. JLL REIS

OPERATIONS REVIEW LOGISTICS DEVELOPMENT

Mapletree's Logistics Development business unit develops and manages the Group's logistics development projects. It oversees a strong portfolio of 38 logistics facilities in China, Malaysia, Vietnam and Australia, valued at S$2.6 billion as of 31 March 2020. In Financial Year 2019/2020 (FY19/20), the business unit contributed S$57.6 million and S$3.1 million to the Group's EBIT + SOA[1] and fee income respectively.

CHINA

As at 31 March 2020, Mapletree has 87 logistics properties[2] spread across 53 Chinese cities, with a total net lettable area (NLA) of over 6 million square metres (sqm). In FY19/20, Mapletree acquired 27 sites with a total investment value exceeding S$1.6 billion.

MALAYSIA

Mapletree acquired two industrial sites in Shah Alam, Selangor, Malaysia, in November 2019. This area serves Greater Kuala Lumpur and is highly sought after by third-party logistics operators (3PLs) and end-users for domestic distribution and last-mile delivery.

The first site covers 61,491 sqm and will be redeveloped into a four-storey ramp-up warehouse facility with 128,585 sqm of gross floor area (GFA). The second site occupies a land area of 157,034 sqm and will be redeveloped into three blocks of four-storey ramp-up facilities with a combined GFA of 342,020 sqm. Permodalan Nasional Berhad, one of the largest fund management companies in Malaysia, holds a 30% stake in this project.

In December 2019, Mapletree Logistics Hub - Shah Alam, that is under Mapletree's existing portfolio, was acquired by Mapletree Logistics Trust (MLT) for MYR826 million (~S$272 million).

VIETNAM

Mapletree Logistics Park Bac Ninh Phase 3, located in north Vietnam, was completed in May 2019. The Grade A logistics facility which spans 47,732 sqm of GFA, attracted healthy demand from established 3PLs and achieved 100% occupancy upon completion. Development of Phases 4 and 5 is underway and they are slated for completion in May 2021.

Mapletree also completed the acquisition of a 28.2-hectare (ha) site in Yen My Industrial Park, Hung Yen Province. The proposed logistics park is supported by well-developed infrastructure and highways connecting to Hanoi and the Hai Phong seaport. Development commenced in February 2020 and the first of three phases is expected to yield 60,566 sqm of GFA (out of a total GFA of 177,134 sqm) when completed in August 2021.

In the south, Mapletree commenced the construction of Mapletree Logistics Park Binh Duong Phase 4 in December 2019. Located at the intersection of major highways with access to seaports and Ho Chi Minh City, the property's easy accessibility allows it to cater to both domestic consumption and import-export logistics. With its strategic location and growing market demand, the development has secured strong pre-leasing commitment for 76% of NLA

Mapletree Logistics Hub - Tanjung Pelepas, Iskandar, located in the Port of Tanjung Pelepas, Malaysia, comprises two blocks of two-storey ramp-up warehouses and a block of one-storey warehouse with total GFA of approximately 133,000 sqm.

from end-users and 3PLs. The 61,696 sqm general warehouse is expected to be completed in October 2020.

Mapletree Logistics Park Bac Ninh Phase 2 and Mapletree Logistics Park Binh Duong Phase 1 were acquired by MLT for US$36 million (~S$49.9 million) in November 2019.

AUSTRALIA

Mapletree established AlexandraLog AUS Assets Pty Ltd in October 2019 to spearhead its logistics development in Australia. The acquisition of a 36.3-ha site in Crestmead, Brisbane, Queensland, is scheduled for completion in September 2020.

With excellent access to the Logan Motorway, as well as Brisbane city, port and airport, the proposed logistics park will be developed over four phases to provide a total GFA of 191,888 sqm.

MARKET REVIEW AND OUTLOOK

China

By the end of 2019, China's premium warehouse stock reached approximately 60 million sqm. Nationwide, while the average vacancy rate rose to 12.1%, rental growth remained healthy in most markets.

More diversified industries such as e-commerce and retail have underpinned the demand for high-quality warehouse space in China. Activity by retail and trade enterprises picked up, with e-commerce and 3PLs accounting for more than 70% of new leases signed. Despite the economic fallout from Covid-19, the fresh food and cold chain sectors may see faster growth, whereas the e-commerce and express delivery sectors are expected to stay resilient.

Malaysia

The Malaysian economy expanded by 3.6% in Q4 2019, its weakest in a decade, while growth for the year was 4.3% (2018: 4.7%). The healthy growth rates of the e-commerce and retail trade sectors nevertheless contributed to a higher demand for warehouse space. This is accompanied with a notable lack of Grade A warehouse stock which accounts for only 12.1% and

Mapletree Logistics Park Bac Ninh Phase 3, a Grade A logistics facility in Vietnam, was completed in May 2019.

29.8% of total warehouse space in established industrial areas of Klang Valley and Johor Bahru respectively. In both areas, warehouse space is at almost 100% occupancy. These factors support a promising outlook for logistics properties. While Covid-19 has affected cross-border trade and selected industries, the recently announced RM250 billion stimulus package is likely to ease its dampening impact on the economy.

Vietnam

Vietnam's economy grew by 7% in 2019, which was mainly driven by increased exports and private consumption. The World Bank forecasts a gross domestic product growth of around 6.5% for Vietnam over the next few years.

Growth in demand for logistics warehousing has been driven by manufacturing activities for exports, booming e-commerce and retail sales. Recent global disruptions such as the United States-China trade war and Covid-19 have encouraged businesses to re-configure and diversify their supply chains. Vietnam, with its established infrastructure and production networks, will benefit from the supply chain shifts. In addition, the growing demand for convenience, such as on-demand delivery of fresh goods, has spurred the development of end-to-end cold-chain networks and demand for cold stores in the country.

Australia

Queensland's economy is projected to outperform the national average over the next 10 years, due to strong macroeconomic fundamentals and a robust domestic consumption market.

While the Covid-19 situation has brought significant headwinds to the Australian and global economy, the logistics sector is expected to remain relatively resilient, driven by sustained population growth and rising online retail penetration. In particular, supermarket and e-commerce tenants are benefitting from strong sales growth as more people stay at home due to social distancing measures. In addition, government infrastructure investments to boost the efficiency of national freight and supply chains will continue to play a significant role in Queensland's long-term growth. Upcoming infrastructure developments include improvement and expansion works for Brisbane Airport, and Brisbane Port, as well as a new inland freight rail between Melbourne and Brisbane. These investments in physical infrastructure to support and facilitate logistics activities, combined with the continued growth in the e-commerce market, are expected to sustain the demand for warehouse space in the region.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

2 Of the 87 properties, 15 are held under joint ventures between Mapletree Invesments and MLT.

OPERATIONS REVIEW CHINA AND INDIA

Mapletree's China and India business units seek to capitalise on real estate opportunities in these two large emerging markets.

The business units develop, invest and manage real estate assets in China and India, and oversee two private real estate funds, namely Mapletree India China Fund (MIC Fund)[1] and Mapletree China Opportunity Fund II (MCOF II).

As at 31 March 2020, the business units accounted for S$2.7 billion of the Group's total assets under management. In Financial Year 2019/2020 (FY19/20), the business units' combined EBIT + SOA[2] was S$55.2 million, while fee income contributions were S$107.2 million.

QUALITY DEVELOPMENTS WELL RECEIVED IN CHINA

In Foshan, handover of the second construction phase of Nanhai Business City Phase 4 started in October 2019. Nine out of the 12 residential blocks have launched for sale since August 2018. As at 31 March 2020, nearly 90% of the units had been sold. The Education Zone is fully operational, including Crestar Kindergarten, Etonhouse International School, Guangwai International Testing Center and Mapletree Training and Development Center. As at 31 March 2020, the Education Hub office achieved a 90% commitment rate.

The divestment of VivoCity Nanhai, which is the retail mall component of Nanhai Business City, was completed on 10 March 2020 despite the Covid-19 pandemic.

Mapletree Ningbo Mixed-Use Development Phase 1 (residential and retail) successfully obtained its occupation permit (OP) in June 2019. In addition to the 13 residential blocks which have been fully sold and 99% handed over, more than 90% of parking space has also been sold. Phase 2 (retail mall) and Phase 3 (medical centre) topped out in May 2019 and July 2019 respectively. Both phases are expected to obtain their OP in Q3 2020.

In January 2020, mTower Beijing, an international Grade A office building located within the Lize Financial Business District, was handed over. The 24-storey building with LEED for Core and Shell Gold certification, has a total gross floor area (GFA) of about 51,000 square metres (sqm). Catering to the new economy financial industries, mTower Beijing will be directly next to major transportation hubs with three subway lines – Line 14, Line 16 (under construction) and New Airport Line (under planning), as well as an underground link to the City Terminal (under planning). Upon completion of the City Terminal and New Airport Line, the Beijing Daxing International Airport will be a 20-minute ride from the property. mTower Beijing is within 5 kilometres (km) proximity to Beijing South Railway Station and Beijing West Railway Station, 2 km direct access to West 2nd Ring Road and 7 km from Finance Street. Within a 3 km radius, mTower Beijing enjoys the full benefits from surrounding amenities which include a five-star hotel, luxurious shopping mall and apartments, among others.

In March 2019, Mapletree acquired mPlaza Guangzhou, an office building with a GFA of about 100,000 sqm. The asset, which is currently being prepared for handover, will target e-commerce, telecommunications and business service companies.

A night view of Mapletree Ningbo Mixed-Use Development Phase 1.

Located at the Pazhou area, the asset is serviced by multiple metro lines, with the area designated by the Guangzhou Government as an artificial intelligence and digital economy pilot zone featuring high quality projects by Alibaba, Tencent, Xiaomi etc.

AN EXPANDING FOOTPRINT IN INDIA

Mapletree's maiden investment in India was the acquisition and development of Global Technology Park in Bengaluru in 2011. Since then, the Group's presence in India has expanded to other key office markets of Chennai and Pune, with overall office vacancy rates under 10%. The office portfolio now comprises a net lettable area (NLA) of approximately 631,740 sqm across the projects.

In December 2019, the Group acquired its first development project in Pune, Maharashtra with the acquisition of a 7.7-acre land parcel. The site is prominently located within the established office micro-market of Kharadi. Planned as a Grade A commercial office development, this will be Mapletree's second development project in India after successfully completing Global Technology Park in Bengaluru.

At Global Infocity Park Chennai, one of the major tenants continued to expand its space requirements, occupying approximately 12,350 sqm. Other key leases secured during the financial year included a leading international bank which opted for an additional 6,600 sqm and a fintech firm which expanded by another 4,900 sqm. New options were also added to the food and beverage space.

Existing tenants at Global Technology Park, Bengaluru, continued to increase their space demand by leasing an additional 24,585 sqm. Adding up to a total leasing of 50,429 sqm NLA in 2019, the asset's overall occupancy is approximately 99.1%.

Existing tenants at Global Technology Park in Bengaluru continued to increase their space demand, adding up to a total leasing of 50,429 sqm NLA in 2019, bringing the asset's overall occupancy to approximately 99.1%.

MARKET REVIEW AND OUTLOOK

China

Despite having the slowest gross domestic product (GDP) growth in three decades due mainly to trade tensions with the United States, China's real estate market remained largely active in 2019. Shanghai, the country's largest institutional real estate market, recorded a fourth consecutive year of over RMB100 billion in transaction value of en-bloc commercial properties. However, concerns over the trade war began to weigh on sentiment in the second half of the year.

Yields were stagnant during the year, owing to downward pressure on rentals and capital values from new completions. Offices in emerging and decentralised business locations are becoming better positioned to attract tenants for cost savings, particularly in the post Covid-19 operating environment.

In the aftermath of the Covid-19 outbreak in China, the government has pushed for business resumption and resorted to pump priming. The disruption to the property market varies across asset classes, with the retail sector being the hardest hit, while office and residential sectors face a relatively short-lived business disruption. The tech sector could be the only outperformer because of its crucial role in containing the virus and also its significance in China's next development phase, which involves tech decoupling from the US.

India

The Indian economy grew by 5.6% in the first half of 2019 and slowed to 4.7% by the end of the year. The services sector contributed 3.8% to the total growth, whereas manufacturing, construction and the automobile industry were impacted negatively. In response, the Government implemented measures to boost demand and improve the ease of doing business. These included reducing the corporate tax rate from 30% to 22%, reducing repurchase agreement rate by 135 basis points to about 5.2% as well as the removal of dividend distribution tax on companies and capital expenditure of an estimated INR2 trillion on infrastructure.

India's real estate market continued to perform in 2019, attracting approximately US$5 billion in private equity investments. New supply and net absorption of office space increased year-on-year by 45% and 40% respectively. Four out of the six largest cities saw vacancies under 10%.

India's GDP forecast is revised downward from 1.9% to between 0% and -3% for FY2021 in light of the Covid-19 situation. Repurchase agreement rate was further reduced by 75 basis points to 4.4%. Services – especially the retail, aviation and entertainment sectors – are expected to steeply contract. Deferment in real estate office demand and slowdown in investments are expected, accompanied by likely compression in yields due to drop in interest rates.

1 MIC Fund was fully realised in April 2020.

2 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

References:

i. Standard Chartered Research

ii. Government of India

iii. Reserve Bank of India

iv. International Monetary Fund

v. JLL Real Estate Intelligence Services

vi. Report by Anarock Capital

OPERATIONS REVIEW AUSTRALIA & NORTH ASIA

The Australia & North Asia business unit focuses on deepening Mapletree’s presence in Australia, Hong Kong SAR, Japan and South Korea, and explores opportunities in new real estate asset classes in these countries.

The business unit also manages two private equity funds: Mapletree's Japan-focused logistics development fund (MJLD) and Mapletree Australia Commercial Private Trust (MASCOT). With owned and managed assets of S$1.9 billion as at 31 March 2020, the business unit contributed S$103.7 million to the Group’s EBIT + SOA[1], and S$85.3 million in fee income in Financial Year 2019/2020.

AUSTRALIA

Mapletree continued to expand its portfolio of office properties in major Australian cities with the addition of 111 Pacific Highway, a 24-storey commercial building with a net lettable area of approximately 18,600 square metres (sqm). The freehold Grade A office building is strategically located close to Sydney's central business district, Greenwood Plaza Shopping Centre and the North Sydney train station. The acquisition was completed on 31 July 2019.

At its closing on 30 November 2019, MASCOT had successfully raised A$654 million (~S$592.4 million) in equity, with 72.9% of commitment received from third-party investors including pension funds, insurance companies, regional banks and corporates, as well as high net worth and family office investors. MASCOT’s portfolio consists of 10 Grade A office assets featuring high occupancy and a well-diversified tenant base. The properties are situated in key gateway cities, namely Sydney, Melbourne, Adelaide, Brisbane and Perth.

JAPAN

Omori Prime Building and mBAY POINT Makuhari, located in Tokyo and Chiba respectively, were acquired by Mapletree North Asia Commercial Trust at a price of JPY38 billion (~S$513 million) on 28 February 2020.

Meanwhile, MJLD, which had investments in 12 logistics facilities with a total value of JPY103 billion (~S$1.39 billion), was fully divested during the financial year. Eleven of the projects were divested to both foreign and domestic third parties including real estate investment trusts (REITs), private funds and corporates. Mapletree Kobe Logistics Centre, its 12th project, was divested to Mapletree Logistics Trust and the transaction closed on 28 February 2020.

Separately, the handover of Oakwood Suites Yokohama, a 175-unit Oakwood-managed serviced apartment located in Yokohama, was completed on 27 March 2020. The handover marked the completion of the forward purchase made in 2016. Occupying the 46th to 51st floors of The Tower Yokohama Kitanaka, the high-rise development overlooking the Yokohama Bay is set to commence operations in late 2020.

111 Pacific Highway, a 24-storey Grade A commercial building, is strategically located close to Sydney's central business district, Greenwood Plaza Shopping Centre and the North Sydney train station.

MARKET REVIEW AND OUTLOOK

Australia

In 2019, global investment demand for Australian real estate continued to set new benchmarks as total transaction values for the office sector exceeded A$20 billion. As a result of solid real estate fundamentals, the sector attracted strong interest from both domestic and global capital sources including listed REITs, unlisted funds, private equity firms and sovereign wealth funds.

Since the start of 2020, the outbreak of Covid-19 has materially dampened activity in both the investment and occupier markets. As Covid-19 in Australia escalated in March 2020, national travel bans, lockdowns and safe distancing measures were introduced requiring non-essential businesses to remain closed. The Federal Government also responded swiftly with three economic stimulus packages equivalent to over A$320 billion. The full impact of Covid-19, however, is still uncertain as containment remains the key to economic recovery. As at end April 2020, although Australia achieved notable success in controlling Covid-19 domestically, investment activity is expected to remain muted until the global contagion is contained. Although the occupier market is also expected to face negative pressure in rents and vacancies in the short term, the impact is not expected to be uniform with defensive assets better able to weather the downturn. Over the long term, the outlook is more positive with underlying demand for office space supported by continued growth in population and the creation of new digital and technology jobs.

Hong Kong SAR

Hong Kong SAR slipped into recession in 2019 amid the United States-China trade war and months of anti-government protests. Real gross domestic profit contracted by 1.2% year-on-year, shrinking for the first time in a decade. The lack of Chinese investors also reduced market activity, with only a handful of commercial property assets changing hands.

The handover of Oakwood Suites Yokohama, a 175-unit Oakwood-managed serviced apartment overlooking the Yokohama Bay in Japan, was completed on 27 March 2020.

The Covid-19 pandemic and renewed social unrest pose new downside risks and a further contraction of the Hong Kong SAR economy is expected in 2020. The heightened uncertainty adds to challenges already faced by the property market and may continue to exert downward pressure on capital values and rentals.

Japan

Office vacancies hit historical lows in 2019. Major markets including Sapporo, Saitama, Tokyo, Yokohama, Nagoya, Osaka, Kyoto and Fukuoka recorded vacancy rates of under 1% as at end 2019. Due to strong demand, rents rose in all cities in 2019. Sendai, Yokohama, Kanazawa, Kyoto, Osaka, Kobe, and Hiroshima all saw full-year increases in rent compared to 2018.

The negative impact of Covid-19 is projected to be larger than that of the Global Financial Crisis. Specifically, a delayed leasing market downturn is expected, starting in late 2020 with a more pronounced impact on secondary grade buildings. The Japanese government has since responded with two stimulus packages equivalent to a record JPY234 trillion. The Tokyo office leasing market, with all-grade vacancy at 1% in Q1 2020, is expected to see some degree of resiliency in prime-grade properties. Out of the 200,000 tsubo of Grade A office space scheduled for completion in 2020, approximately 90% has been pre-leased with reportedly low cancellation rates.

On the contrary, the outbreak of Covid-19 had seen positive impact for the logistics sector, with some logistics occupiers seeking short-term expansion of spaces to stock up merchandise such as daily necessities to meet the significant increase in consumer demand. In particular, the Covid-19 situation is seen to accelerate the switch of the main demand driver of the sector from third-party logistics to e-commerce occupiers.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

References:

i. Australia Office Investment, Review and Outlook 2020
ii. Hong Kong Census and Statistics Department
iii. CBRE 2020 Japan Real Estate Market Outlook
iv. CBRE Asia Pacific Real Estate Market Outlook 2020
v. CBRE Australia Weekly Research Update April 6
vi. CBRE Japan Logistics Market View Q4 2019
vii. Colliers Tokyo Office Market 2020 Q1 Review and Outlook

OPERATIONS REVIEW GROUP LODGING

Mapletree's Group Lodging business unit develops, acquires and manages the Group's global lodging assets (i.e. student accommodation, serviced apartments and multifamily assets), as well as grows the Oakwood business worldwide. The business unit also includes a private real estate fund, the Mapletree Global Student Accommodation Private Trust (MGSA).

With owned and managed assets of S$5.3 billion (excluding Oakwood) as at 31 March 2020, the business unit contributed S$61.8 million to the Group's EBIT + SOA[1], and S$32.9 million in fee income in Financial Year 2019/2020 (FY19/20).

STUDENT ACCOMMODATION

Mapletree's student accommodation portfolio – including those held under MGSA and Mapletree Investments – comprises a total of 50 Purpose-Built Student Accommodation (PBSA) assets with over 22,000 beds located across 33 cities in the United Kingdom (UK), the United States (US) and Canada. Including projects under development, the total assets under management (AUM) amount to approximately S$3.6 billion.

MGSA currently holds 25 assets in the UK and 10 assets in the US, with a total AUM of about S$2 billion. As the fund manager of MGSA, Mapletree optimises the portfolio returns and maximises asset value through proactive asset management, operational improvement and enhancing the residents' experience.

In October 2019, Mapletree successfully acquired two PBSA properties totalling 1,127 beds in the UK. Both are located close to Coventry University, which ranks among the top 15 universities in the UK[2].

Mapletree also completed its first UK student housing development project, Westwood Student Mews, in December 2019. The 453-bed development is in close proximity to the University of Warwick's campus, which is ranked 9th in the UK[2].

The construction of Mapletree's first university housing development in the US is progressing on schedule. The new 405-unit/513-bed accommodation adjoining the University of Pennsylvania campus is scheduled for completion and operational by FY20/21.

The newly acquired building, Millennium View, in Coventry, the UK.

SERVICED & MULTIFAMILY RESIDENCES

Mapletree's serviced and multifamily residence portfolio consists of 15 serviced apartments and four multifamily assets totalling over 3,800 units with an AUM of approximately S$2 billion. Of which, S$1.7 billion is part of Group Lodging's AUM with the remaining contributed by other business units. Of the 15 serviced apartment assets, 11 are located in the US, two in Japan and one each in Australia and Vietnam. Meanwhile, four multifamily assets are located in the US. The serviced apartment assets are located either in dedicated standalone buildings or part of a larger residential complex.

The portfolio mix allows for a range of fully serviced apartments, mixed serviced/conventional apartments and pure multifamily assets. The serviced apartments cater to both short and extended stay as well as business and leisure clientele. On the other hand, the multifamily assets appeal to the longer-term residential rental market.

Having a range of products allows Mapletree to serve the accommodation needs of different market segments, with the flexibility to adapt to changing business needs and environments.

Oakwood operations

Oakwood is the operating arm of Mapletree, managing both Mapletree-owned and third-party assets in the serviced apartment business.

Oakwood's managed assets include a portfolio of 67 Oakwood-branded properties, of which 15 are owned by Mapletree while the remaining 52 are owned by third parties. Geographically, 23 of its properties are located in the US while 44 are in Asia. In FY19/20, the average occupancy of Oakwood's managed assets was 86%, with guests registering more than 2.3 million room nights during the year at a relatively stable average daily rate (ADR) of US$152 (~S$211).

Expanding Oakwood's global footprint

Oakwood launched the following managed properties in FY19/20, including:

- Oakwood Apartments Sanya, China
- Oakwood Hotel Journeyhub Pattaya, Thailand
- Oakwood Hotel Journeyhub Phuket, Thailand
- Oakwood Suites Bangkok, Thailand
- Oakwood Residence Cikarang, Indonesia
- Oakwood Residence Hanoi, Vietnam
- Five properties in Seattle, the US, through a strategic partnership with Wilshire Capital:
  - Ballard 57
  - Fox and Finch
  - Tellus on Dexter
  - The Lofts at the Junction
  - The Redwood

Increasing projects in the pipeline

Oakwood will launch the following developments in the next two years:

- Oakwood Hotel & Apartments Dandenong, Australia (98 hotel rooms and serviced apartments)
- Oakwood Hotel & Apartments Chongli, China (173 hotel rooms and serviced apartments)
- Oakwood Hotel & Apartments Yangon, Myanmar (128 serviced apartments)
- Oakwood Premier Melbourne, Australia (392 hotel rooms and serviced apartments)
- Oakwood Suites Chongli, China (118 serviced apartments)
- Oakwood Suites Yokohama, Japan (175 serviced apartments)

Going forward, Oakwood will continue to build its pipeline to manage Oakwood-branded properties globally.

Oakwood Apartments Sanya, China.

MARKET REVIEW AND OUTLOOK

Student accommodation

In the US, university enrolment remained healthy relative to previous years at approximately 19.9 million students in 2019, up slightly from 19.8 million in 2018. The US National Center for Educational Statistics has forecasted that enrolment will increase by more than 400,000 to 20.3 million students by 2028. Overall rental growth for US student housing continues at a modest pace with effective rents being 5% higher in the first quarter of 2020 than the same period last year.

In the UK, full-time student numbers have been steadily increasing, with an enrolment of about 1.9 million students for the 2018/19 academic year, a 2.1% increase from the previous year. International students from non-European Union countries grew 7.5% from the previous year to 319,565. PBSA market fundamentals are expected to remain strong, with demand forecasted to increase by an average annual growth rate of 2.1% by 2030. This, together with the limited PBSA development pipeline, will likely result in a continued structural undersupply.

As the current Covid-19 pandemic continues to evolve, the health, safety and well-being of student residents and staff remains at the forefront of the Group's priority. Overall, the medium- to long-term outlook for the student housing sectors in both the UK and US remains fundamentally attractive due to demographic growth, rising participation rates for higher education, and supportive government policies, which allow for a growth in international student numbers over the next decade.

Serviced & multifamily residences

In 2019, even though the US hospitality sector saw supply increasing more than demand, it was able to maintain a modest ADR growth rate of 1.2% and occupancy of 66%, consistent with figures in 2018. While occupancy remained consistent, growth in ADRs has been affected by the reduction in corporate travel.

The US multifamily sector remained resilient with stable vacancy rates nationally in 2019. Rental growth remains strong at the national level and major metropolitan areas, at above historic average of 3.4% per annum since 1990.

Despite global travel bans and lockdowns as a result of Covid-19, the Group is optimistic about the longer-term recovery as the demand for serviced apartments is largely driven by long-term business demand. However, the recovery of this sector will depend on the speed and strength of the improvement in the general economy. In the multifamily sector, the demand remains stable.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

2 Guardian University Guide 2020.

References:

i. Axiometrics

ii. Real Capital Analytics

iii. National Center for Educational Statistics (NCES)

iv. Higher Education Statistics Agency (HESA)

v. JLL – UK Student Accommodation Report 2019

vi. Cushman & Wakefield – US Lodging Industry Overview 2019

vii. Freddie Mac Multifamily – Multifamily 2020 Outlook

viii. Stratfor 2020 Second Quarter Forecast

OPERATIONS REVIEW EUROPE AND USA

Mapletree's Europe and USA (EUSA) business unit evaluates, acquires and manages assets in a range of real estate sectors. These include commercial, logistics and data centre assets. EUSA's mandate is focused on broadening and deepening Mapletree's exposure beyond the Asia Pacific region, by investing in new and existing asset classes across key gateway cities in Europe, the United Kingdom (UK) and the United States (US).

With owned and managed assets of S$12.1 billion as at 31 March 2020, the business unit contributed S$520 million to the Group's EBIT + SOA[1], and S$29.9 million in fee income in Financial Year 2019/2020.

COMMERCIAL

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

Mapletree acquired its first commercial asset in Poland, West Station, with a Total Investment Value (TIV) of S$0.3 billion in May 2019. The fully occupied asset enjoys excellent access to key transportation nodes, being strategically located next to Warszawa Zachodnia Train Station, which is a key regional transportation hub in Warsaw serving international and national trains and bus connections.

In June 2019, Mapletree entered into a forward contract to acquire The Sorting Office in Dublin City Centre, broadening its exposure in Europe with a TIV of S$0.4 billion. The city is known as an attractive global location for foreign direct investments due to a combination of high productivity and a competitive cost base. Coupled with a young and educated workforce, it has developed into an economic hub for the technology and financial sectors due to its pro-business policies and favourable tax-rate environment.

Mapletree further expanded its footprint in Dublin in October 2019 with the acquisition of Nova Atria at a TIV of S$0.3 billion. The asset is located in one of Dublin's leading submarkets and has exceptional connectivity to the city.

West Station comprises two 14-storey office buildings with 68,851 sqm of NLA in Warsaw, Poland.

At 3 Hardman Street, Manchester, the UK, Mapletree completed the refurbishment of both East and West receptions and implemented the revised signage strategy. These are in line with efforts to increase asset values in maximising revenue, reducing costs and increasing occupiers' satisfaction through active asset management efforts.

LOGISTICS

Mapletree's portfolio of logistics assets spans across 26 states in the US and 20 cities in Europe. With a combined gross floor area of 5.6 million square metres (sqm), all 283 assets were acquired over the course of 2018 and early 2019.

Most of the assets are held under Mapletree US & EU Logistics Private Trust (MUSEL), a fully invested core fund with a TIV of US$4.3 billion (~S$6 billion) and US$1.8 billion (~S$2.5 billion) in equity. Mapletree closed the syndication of MUSEL on 31 March 2020. Consistent with Mapletree's approach to other sponsored private funds, the Group has retained a 33% stake[2] in MUSEL to align with investor interests.

In MUSEL's first year of operations, the focus was on driving leasing activities with 0.8 million sqm of leases executed since the fund's inception. This generated healthy rental reversion of 9.6%. The MUSEL portfolio enjoys healthy operating statistics, with a committed occupancy of 95.7% and a weighted average unexpired lease term of 4.1 years as at 31 March 2020. Its robust performance enabled MUSEL to deliver a cash yield of 5.5% to investors, which was above forecast.

With strong support from a well-diversified tenant base including those from the e-commerce, consumer goods, third-party logistics (3PL) and supporting industries, Mapletree has experienced high demand for its logistics spaces in the US and European markets. On the back of continued growth in the sector, e-commerce tenants have been increasing their presence in the portfolio, especially in last mile locations.

DATA CENTRES

Mapletree continued to expand its North America data centre portfolio with its second acquisition of 13 data centres with a total net lettable area (NLA) of 193,293 sqm following the Group's first foray into the North American data centre market with the acquisition of 14 data centres at US$750 million (~S$1,039.6 million) in December 2017.

Mapletree acquired 10 powered shell data centres at a purchase consideration of approximately US$557.3 million (~S$772.5 million) through a 50:50 joint venture with Mapletree Industrial Trust and jointly acquired an 80% interest with Digital Realty to co-invest in three fully fitted hyperscale data centres at a purchase consideration of approximately US$810.6 million (~S$1,123.7 million). The 13 data centres are located across North America with 12 in the US and one in Canada. The assets are predominantly sited on freehold land[3] and strategically located in key markets, with six properties concentrated in Northern Virginia, the world's largest data centre market. In addition, the portfolio boasts long leases with embedded rental growth coupled with tenants from the global cloud and colocation providers.

For more details, please refer to page 68.

MARKET REVIEW AND OUTLOOK

The US economy expanded by 2.3% in 2019. Strong employment continued to be the primary driver, with consumer spending accounting for nearly 70% of growth. The US logistics market continued to prosper, with the overall vacancy rate remaining low at 4.4%, while rental grew by 5%. Demand from e-commerce and 3PL occupiers drove the development of new logistics spaces while the food and beverage industry continues to be the fastest-growing industry as grocery companies modernise supply chains to support burgeoning online sales.

Nova Atria, located in Sandyford Business Park, Dublin, Ireland, comprises two adjoining six-storey office blocks that occupy a total NLA of 31,140 sqm.

Weighed down by slowing international trade and weak manufacturing activities, the Eurozone registered a growth of 1.2% for 2019. The unemployment rate, however, fell to 6.2% at the end of 2019, its lowest since 2000. Driven by strong e-commerce growth, the European logistics market in 2019 recorded the highest net absorption since 2009, while the overall vacancy rate remained low at 4.3%.

The UK reported 1.4% growth in 2019, which is stronger than 2018 and has emerged as the third fastest growing economy in G7, despite uncertainties surrounding Brexit deadlines and a general election. While growth is expected to soften in 2020 to 1.1%, and pick up to 1.5% in 2021 with a managed trade deal, the UK remains an attractive investment destination for reasons such as transparency, liquidity, very strong occupational markets, and its reputation as a hub of innovation and talent. With a slowing of global economic growth, the high yields and spread over risk-free rates enhances the attractiveness of investments in UK.

Leasing activities in key cities were driven by the technology, media, and telecom sector, followed by banking and financial services, and professional services. Tight supply and positive occupier demand supported rents across the key cities, with annual rental growth of 5.4%. The outlook for 2020 is for further rental growth, as supply shortages are likely to continue as much of the speculative space being developed is likely to be let before completion.

With uncertainties caused by factors such as Covid-19, United States-China trade negotiations, as well as the US presidential election, growth is expected to moderate in the US and Europe in 2020.

1. Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.
2. Excluding directors' and senior management's stake in MUSEL.
3. All data centres are sited on freehold land, except 2055 East Technology Circle, Phoenix, which has a remaining land lease tenure of about 63.8 years as at 31 December 2019.

References:

i. Bureau of Economic Analysis, United States Department of Commerce
ii. Eurostat
iii. CBRE Research
iv. Bloomberg
v. JLL

OPERATIONS REVIEW MAPLETREE LOGISTICS TRUST

Mapletree Logistics Trust (MLT) is a Singapore-listed real estate investment trust (REIT) that invests in and manages a diversified portfolio of 145 quality, well-located, income-producing logistics assets in Singapore, Hong Kong SAR, Japan, China, Australia, South Korea, Malaysia and Vietnam.

As at 31 March 2020, the business unit's total assets under management was S$8.8 billion. It contributed S$405.7 million to Mapletree's EBIT + SOA[1] and S$72.6 million to fee income[2] in Financial Year 2019/2020 (FY19/20).

MLT was included as a component stock in the benchmark Straits Times Index (STI) in December 2019. The inclusion will further enhance MLT's profile among global investors and increase its trading liquidity.

DELIVERING A RESILIENT PERFORMANCE

Despite headwinds from slowing global growth, unresolved United States-China trade conflict and disruptions brought on by the Covid-19 outbreak, MLT's portfolio remained resilient and continued to deliver stable returns in FY19/20. Gross revenue rose 8% year-on-year to S$490.8 million, while net property income increased by 12.6% to S$438.5 million. MLT's improved performance was driven by organic growth from its existing portfolio, contributions from accretive acquisitions as well as the completed redevelopment of Mapletree Ouluo Logistics Park Phase 1 in China. The amount distributable to unitholders rose by 11.7% to S$301.7 million while distribution per unit was 2.5% higher at 8.142 cents.

In view of the market uncertainties, active asset and lease management focusing on tenant retention and portfolio occupancy was a key priority for management. Portfolio occupancy was maintained at a stable level throughout the year, ending at 98% as at 31 March 2020. The lease expiry profile is well-staggered with a weighted average lease expiry (by net lettable area) of 4.3 years.

PRUDENT CAPITAL MANAGEMENT

Proactive capital management ensuring a strong balance sheet and the financial flexibility to seize market opportunities is a core element of MLT's strategy. MLT's balance sheet remains robust with a well-staggered debt maturity profile of 4.1 years and an aggregate leverage ratio of 39.3% as at 31 March 2020. To mitigate the impact of currency and interest rate volatilities on distribution, about 82% of the income stream in FY20/21 has been hedged into Singapore dollars, while approximately 77% of total debt has been hedged into fixed rates.

During the year, MLT launched an equity fundraising exercise, raising S$250 million through a private placement to partially fund the acquisitions of seven modern logistics properties in Malaysia, Vietnam and China. MLT also further diversified its funding sources to secure its first sustainability-linked loan of S$200 million, becoming the first Singapore-listed REIT to link its renewable energy generation target to financing.

Debt due in FY20/21 amounts to S$242 million or 6% of total debt. With available committed credit facilities of over S$700 million, MLT has more than sufficient facilities to meet its maturing debt obligations.

Mapletree Logistics Hub - Shah Alam in Malaysia is a Grade A ramp-up logistics facility with a total gross floor area (GFA) of approximately 237,810 sqm.

ENHANCING REGIONAL NETWORK

In FY19/20, MLT strengthened its Asia Pacific network connectivity through acquisitions of quality, well-located assets in its key markets. During the year, MLT completed the acquisitions of nine modern logistics facilities in Malaysia, Vietnam, China, Japan, and South Korea for approximately S$752.8 million.

The S$411.8 million acquisition of a portfolio of seven logistics properties from its Sponsor, Mapletree Investments – one in Malaysia, two in Vietnam and a 50% interest in four China properties – has enhanced MLT's geographic diversification across attractive logistics markets underpinned by favourable demand-supply dynamics. Built to modern specifications and located in close proximity to city centres, these properties are leased to a strong tenant base which includes prominent consumer brands such as Watsons and Ashley Furniture, and leading regional e-commerce players such as Lazada and Shopee.

In Japan, the acquisition of Mapletree Kobe Logistics Centre from Mapletree-managed private fund MJLD at an agreed property value of JPY22,200 million (~S$299.8 million) further strengthened MLT's portfolio in an attractive logistics market facing scarcity of Grade A supply. The modern freehold logistics property in a prime location in Kobe is leased to a high-quality tenant base.

In FY19/20, MLT also completed the acquisition of a quality logistics facility in South Korea for KRW35.8 billion (~S$41.2 million) and entered into a forward purchase agreement for a warehouse in Melbourne, Australia at an agreed property value of A$18.4 million (~S$16.7 million). Both properties are designed with modern specifications and offer excellent connectivity to transportation infrastructure such as highways and airports.

Mapletree Kobe Logistics Centre, completed in April 2019, is a freehold modern four-storey logistics facility with a GFA of 102,127 sqm located in Kobe, Japan.

OPTIMISING PORTFOLIO YIELD

During the year, MLT completed the divestment of five properties in Japan, namely Gyoda Centre, Iwatsuki B Centre, Atsugi Centre, Iruma Centre and Mokurenji Centre, for a total sale consideration of JPY17,520 million (~S$211.6 million). Another property in China, Mapletree Waigaoqiao Logistics Park[3], which MLT has held since 2008, was divested for RMB330 million (~S$63.7 million). The divestments free up capital and provide the financial flexibility for MLT to pursue investments of higher-yielding, modern facilities.

MARKET REVIEW AND OUTLOOK

The Covid-19 outbreak has resulted in severe disruptions to economic activities and supply chains, amid lockdowns and social distancing measures. The global economy is forecast to contract by 3% in 2020 while growth in Asia Pacific is projected to stall at 0%.

MLT's diversified portfolio across geographies and tenant trade sectors has demonstrated its resilience during these challenging times. However, the evolving Covid-19 situation may continue for an extended period. In a softening or volatile economic environment, demand for warehouse space, occupancy and rental rates may be negatively impacted.

Against the climate of uncertainties, MLT remains focused on tenant retention and enhancing portfolio resilience. This includes working closely with tenants to provide customised support and flexible leasing options, as well as leveraging its regional network to offer solutions for tenants who are looking to diversify and seek alternative distribution channels. At the same time, MLT will continue to maintain a strong financial position, while pursuing strategic opportunities for acquisitions to further enhance its competitiveness.

Looking beyond Covid-19, the longer term outlook for logistics markets in Asia Pacific remains optimistic. The demand for well-located modern logistics space is expected to be sustained by positive structural trends such as e-commerce growth and the modernisation of supply chains. Notably, the pandemic has increased online penetration rates and accelerated both online sales and the automation of warehouses. Additionally, the diversification of supply chains in response to the United States-China trade conflict and Covid-19 outbreak is expected to benefit the logistics markets in Vietnam and Malaysia where MLT also has a strong presence.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

2 Includes REIT management fees.

3 Divested 100% equity interest in MapletreeLog Integrated (Shanghai) (HKSAR) Limited and its wholly-owned subsidiary, MapletreeLog Integrated (Shanghai) Co., Ltd, which is in turn the registered owner of Mapletree Waigaoqiao Logistics Park.

Reference:

i. International Monetary Fund

OPERATIONS REVIEW MAPLETREE INDUSTRIAL TRUST

Mapletree Industrial Trust (MIT) is a Singapore-listed real estate investment trust (REIT) that manages a diverse portfolio of 87 industrial properties in Singapore and 27 data centres in North America (through the joint ventures with Mapletree Investments in Mapletree Redwood Data Centre Trust and Mapletree Rosewood Data Centre Trust (MRODCT). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/ Ramp-up Buildings and Light Industrial Buildings.

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

As at 31 March 2020, the business unit's total assets under management (AUM) was S$5.9 billion. In Financial Year 2019/2020 (FY19/20), it contributed S$315.7 million to Mapletree's EBIT + SOA[1], and S$64.2 million to fee income[2].

DELIVERING STABLE RETURNS

MIT continued to deliver stable returns in FY19/20, with a 14.5% year-on-year increase in distributable income to S$265.3 million. The improved performance was mainly due to higher contributions from acquisition and development projects, as well as contributions from the newly acquired 13 data centres in North America held under MRODCT. Distribution per unit (DPU) for FY19/20 increased by 0.7% to 12.24 cents. Tax-exempt income of S$6.6 million relating to the distributions declared by joint ventures in Q4 FY19/20 had been withheld for greater flexibility in cash management, in view of the uncertainties from the Covid-19 pandemic. Had the tax-exempt income distribution been included, DPU for FY19/20 would have been 12.54 cents.

Through proactive capital management, MIT maintained a strong balance sheet and financial flexibility to capture investment opportunities. To partially fund the acquisition of 13 data centres in North America, MIT successfully raised about S$400 million from a private placement on 17 September 2019. The private placement was about 6.3 times covered at the top of the issue price range and saw strong participation from a broad spectrum of investors. MIT's aggregate leverage ratio remained healthy at 37.6% as at 31 March 2020. All loans due in the subsequent FY20/21 had already been refinanced. Excluding facilities due to expire in FY20/21, MIT still has ample committed facilities of about S$380 million available for drawdown.

44490 Chilum Place (ACC2), Northern Virginia is one of the 13 data centres acquired in North America via a 50:50 joint venture with Mapletree Investments.

EXPANDING PRESENCE IN THE DATA CENTRE SECTOR

MIT expanded its presence in the fast-growing data centre sector with the US$1.4 billion (~S$1.9 billion) data centre portfolio acquisition in North America. MRODCT, a 50:50 joint venture with Mapletree Investments and MIT, acquired an 80% interest in three fully fitted hyperscale data centres at a purchase consideration of about US$810.6 million (~S$1.1 billion), with Digital Realty holding the remaining 20%. MRODCT also acquired 10 powered shell data centres from Digital Realty at a purchase consideration of about US$557.3 million (~S$772.5 million). The acquisitions of three fully fitted hyperscale data centres and 10 powered shell data centres were completed on 1 November 2019 and 14 January 2020 respectively.

The 13 data centres are predominantly sited on freehold land[3], with 12 in the United States (US) and one in Canada. All properties are 100% leased to established tenants, which comprise a mix of cloud, colocation and enterprise users. With a total net lettable area of 193,350 square metres (sqm), they are situated in key markets, with six properties in Northern Virginia, the world's largest data centre market. These acquisitions will improve the resilience of MIT's portfolio with the increased freehold land component and long leases with embedded rental growth.

MIT embarked on its largest redevelopment of the Kolam Ayer 2 Flatted Factory Cluster in Singapore, which will increase the total gross floor area to approximately 80,420 sqm.

In Singapore, MIT completed the upgrading of 7 Tai Seng Drive as a data centre on 3 July 2019. With a gross floor area (GFA) of about 23,800 sqm, the seven-storey data centre has been fully leased to Equinix Singapore for 25 years from 20 July 2019[4].

UNLOCKING VALUE THROUGH REJUVENATION

In July, MIT embarked on its largest redevelopment project to date. The Kolam Ayer 2 Flatted Factory Cluster will be redeveloped into a Hi-Tech industrial precinct. The redevelopment will increase the utilised plot ratio from 1.5 to 2.5, and increase the total GFA to about 80,420 sqm.

The S$263 million[5] redevelopment will include a Build-to-Suit (BTS) facility with GFA of about 19,600 sqm for the anchor tenant, a global medical device company headquartered in Germany. The seven-storey BTS facility will account for approximately 24.4% of the enlarged GFA upon completion of the redevelopment. The anchor tenant is committed to fully leasing it for 15 years[6] with annual rental escalations.

Building on the successful leasing of the new greenfield industrial development at 30A Kallang Place which achieved 100% commitment, MIT will target high value-add and knowledge-based businesses from the advanced manufacturing, information and communications technology sectors for the remaining 60,820 sqm of GFA in the other blocks.

Construction is scheduled to begin in the second half of 2020 and complete in the second half of 2022. Of the 108 existing tenants at the Kolam Ayer 2 Cluster, 67 had already committed to new leases at alternative MIT clusters.

MARKET REVIEW AND OUTLOOK

The Covid-19 pandemic has severely affected the global economic outlook. The Singapore Commercial Credit Bureau's Business Optimism Index study[7] reported that business confidence plunged to an all-time low for the second quarter of 2020, after displaying a positive sentiment in the preceding quarter. This negative outlook reflects Singapore firms' worries about Covid-19's health risks and the associated economic impact. Business sentiment for the manufacturing, services and construction sectors is the least optimistic among the various industry sectors.

According to JLL, data centre markets in the US capped off 2019 with 349.6 megawatts (MW) in net absorption amid increased cloud activities across US data centre markets. Net absorption was lower by 120.5 MW in 2019 than 2018, which was partly due to North Virginia's record in net absorption, with 270 MW in 2018 compared to 124 MW in 2019. Given the lack of comprehensive data on the effect of Covid-19 pandemic on fundamentals, JLL has identified data centres as one of the more defensive asset classes due to its operation criticality.

All of MIT properties in Singapore and North America remain open to support tenants in essential services who continue to be operational during the Covid-19 pandemic.

MIT's large diversified tenant base with low dependence on any single tenant or trade sector will continue to underpin its portfolio resilience. In addition, the long leases with high-quality tenants in MIT's data centres in Singapore and North America, comprising about 31.6% of MIT's Portfolio (by AUM), should contribute to the portfolio resilience.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

2 Includes REIT management fees.

3 All the data centres are sited on freehold land, except 2055 East Technology Circle, Phoenix, which has a remaining land lease tenure of about 63 years as at 31 March 2020.

4 This included a rent-free period of two months and annual rental escalations.

5 The total project cost of about S$263 million includes the book value of the Kolam Ayer 2 Cluster at S$70.2 million as at 31 March 2019 prior to commencement of the redevelopment.

6 This includes a rent-free period of six months distributed over the first six years. The anchor tenant will be responsible for all operating expenses and property tax of the BTS facility.

7 Source: Singapore Commercial Credit Bureau, 2Q2020.

References:

i. JLL Research, Data Center Outlook Year-end 2019

ii. JLL Global Research, Covid-19 Global Real Estate Implications, 12 March 2020

OPERATIONS REVIEW MAPLETREE COMMERCIAL TRUST

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

MCT's portfolio comprises five properties in Singapore:

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

As at 31 March 2020, the portfolio has a total net lettable area (NLA) of approximately 468,000 sqm, valued at S$8.9 billion. It contributed S$384.6 million and S$73.1 million to the Group's EBIT + SOA[1] and fee income[2] respectively in Financial Year 2019/2020 (FY19/20).

MCT joined the benchmark Straits Times Index (STI) and the widely followed MSCI Singapore Index on 23 September 2019 and 26 November 2019 respectively.

DELIVERING LONG-TERM SUSTAINABLE RETURNS

Since its listing on 27 April 2011, MCT's market capitalisation has increased from S$1.6 billion to more than S$6 billion as at 31 March 2020. Including distributions paid out since listing, the total return to unitholders is 187.6%.

The Singapore stock market declined sharply, particularly in March 2020, in tandem with the global escalation of the Covid-19 pandemic. From 1 April 2019 to 31 March 2020, the benchmark STI was down by 22.8%, while MCT's unit price was down by 3.2%.

MCT's total distribution for FY19/20 was 8.00 Singapore cents after retaining S$43.7 million of distribution in Q4 FY19/20 to better position MCT ahead for the uncertainties associated with Covid-19. Consequently, MCT delivered total shareholder returns of 1% for FY19/20.

SUCCESSFUL ACQUISITION OF MAPLETREE BUSINESS CITY II

On 27 September 2019, MCT announced the proposed acquisition of MBC II and the Common Premises at an agreed property value of S$1.55 billion. To finance the acquisition, the Manager undertook a successful equity fund raising, which received strong support from existing and new investors alike. The private placement was over seven times covered and the preferential offering was approximately 1.45 times covered. As a result, S$918.5 million worth of total new equity was raised. Bridging loans were also used to accelerate the completion of the acquisition, which took place on 1 November 2019. The acquisition adds another best-in-class asset, further enhancing the resilience and diversification of MCT's portfolio.

CONTINUED ENHANCEMENT OF VIVOCITY

During the year, VivoCity successfully completed its fifth asset enhancement initiative, comprising the changeover of the hypermarket and partial recovery of the anchor space to accommodate new and expanding tenants.

The new hypermarket operator, NTUC FairPrice, is Singapore's leading grocer and multi-format retailer. Spanning more than 8,450 square metres (sqm) across Level 1 and Basement 2, this is FairPrice's largest store to-date, and comprises its NTUC FairPrice Xtra

Alexandra Precinct, a 13.5-hectare site in Singapore, comprises MBC and PSAB with its retail component, Alexandra Retail Centre.

hypermarket and Unity pharmacy, as well as a Cheers convenience store. Officially opened on 6 August 2019, the new store incorporates unique product offerings, needs-based services and innovative retail technology to cater to the varied needs of today's shoppers.

Meanwhile, 2,230 sqm of recovered anchor space on Level 1 and Basement 2 is now occupied by Uniqlo, an existing tenant which expanded, as well as new lifestyle and mid-range food and beverage offerings. The space was fully operational by Q2 FY19/20.

As at 31 March 2020, VivoCity was 99.7% committed.

Spanning more than 8,450 sqm across Level 1 and Basement 2, the new anchor space includes the largest NTUC FairPrice Xtra hypermarket and Unity pharmacy, as well as a Cheers convenience store.

MBC II ADDS TIMELY RESILIENCE AND DIVERSIFICATION

The outbreak of Covid-19 has impacted nationwide retail sales and footfall, and coupled with the rental assistance[3] that MCT has rolled out to support eligible retail tenants, has weighed down VivoCity's Q4 FY19/20 performance. As a result, VivoCity's FY19/20 revenue and net property income (NPI) contracted 1.2% and 2.2% respectively from FY18/19.

Notwithstanding the above, the acquisition of MBC II has added a timely diversification and resilience to MCT, driving continued growth in MCT's full year portfolio gross revenue and NPI by 8.8% and 8.7% respectively.

The committed occupancy for MCT's office/business park assets remained high, ranging from 92.7% at PSAB to 100% at MBC II and Mapletree Anson as at 31 March 2020. MLHF maintained full actual occupancy throughout the financial year.

MARKET OVERVIEW AND OUTLOOK

According to the Ministry of Trade and Industry of Singapore, the Singapore economy shrank by 0.7% on a year-on-year basis in the first quarter of 2020, reversing the 1% growth in the preceding quarter.

Singapore reported its first Covid-19 case on 23 January 2020. Since then, the Government has progressively tightened border controls and implemented stricter social distancing measures, including a "circuit breaker" to significantly reduce the population's movements and interactions.

Along with it, the Covid-19 (Temporary Measures) Act was passed whereby landlords would not be allowed to terminate a lease or repossess premises where non-payment of rent was due. This would be for an initial relief period of six months.

According to CBRE, there was minimal correction in retail rents in Q4 FY19/20 as the Covid-19 outbreak was still in its infancy and most existing tenancies were still locked in. The downward pressure on rents was also mitigated by reliefs on landlords and rental rebates passed down from property tax rebates.

The "circuit breaker" measures have mandated non-essential retailers to stop operations. Together with a softer economic outlook, CBRE expects prime islandwide retail rents to experience major corrections, especially for those relying on tourism, while suburban malls are expected to show more resilience.

Amid the Covid-19 uncertainties, more office space occupiers have chosen to downsize either through renewal or relocation. The implementation of "circuit breaker" measures is expected to exacerbate business uncertainties further. With upcoming vacant stock emerging from tenant relocations and natural expiries, office vacancy levels are projected to rise in the following year. Rents will face harsher downward pressures for the rest of 2020.

In light of weak business confidence, most of the business park leasing activities were centred on renewals. Only some pockets of space within the City Fringe submarket were taken up by the technology sector. The outlook for the business park market looks subdued as firms grapple with the impacts of the pandemic. Given the limited available stock, vacancy in the City Fringe submarket is poised to tighten further. As such, it is likely that the disparity between the City Fringe and Rest of Island submarket will widen further with the City Fringe submarket showing more resilience.

MCT is cognisant of the challenges posed by the Covid-19 outbreak on the overall sector, including a lower prospective demand for commercial space. Despite the headwinds, MCT has a well-diversified portfolio with key best-in-class assets. In particular, MBC's stable cash flows from high-quality tenants is expected to provide support to the Group's performance. The Group's robust financial position will also provide strength to overcome the obstacles ahead.

1 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

2 Includes REIT management fees.

3 Includes the 15% property tax rebate for qualifying commercial properties.

References:

i. Ministry of Trade and Industry, Singapore

ii. CBRE

OPERATIONS REVIEW MAPLETREE NORTH ASIA COMMERCIAL TRUST

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

As at 31 March 2020, MNACT's portfolio of 11 properties in China, Hong Kong SAR and Japan comprises:

- Festival Walk, a landmark territorial retail mall with an office component, in Hong Kong SAR
- Gateway Plaza, a premier Grade A office building with a podium area, in Beijing
- Sandhill Plaza, a premium business park development situated in Zhangjiang Science City in Pudong, Shanghai
- The Japan Properties, comprising four office buildings in Tokyo; an office building in Yokohama; and three office buildings in Chiba

As at 31 March 2020, MNACT's total assets under management was S$8.3 billion[1]. In Financial Year 2019/2020 (FY19/20), it contributed S$278.9 million to Mapletree's EBIT + SOA[2], and S$48 million to fee income[3].

MANAGING CHALLENGES, DIVERSIFYING PORTFOLIO

For FY19/20, MNACT's portfolio turned in a lower revenue compared to FY18/19 primarily due to rental reliefs totalling S$18.1 million, which were granted to tenants as a result of the Covid-19 impact and the social unrest in Hong Kong SAR prior to Festival Walk's mall closure from 13 November 2019 to 15 January 2020. There was also no rental collection during the mall closure[4] and the office tower's closure from 13 to 25 November 2019. Additionally, revenue from Gateway Plaza was reduced due to a lower average occupancy.

To mitigate the cash flow impact of Festival Walk's mall closure on the distributable income payable for Q3 FY19/20 and Q4 FY19/20, the Manager implemented distribution top-ups of S$32.9 million to enable a certain level of distributable income to the unitholders until such time the loss of revenue is recovered through insurance claims.

In February 2020, MNACT completed the acquisitions of two freehold office properties, mBAY POINT Makuhari and Omori Prime Building, in Greater Tokyo, Japan, from the Sponsor, Mapletree Investments, at a total acquisition cost of S$480 million. The one-month contribution from the new acquisitions buffered the decline in FY19/20's distribution per unit (DPU), and contributed to the diversification of MNACT's portfolio.

Accordingly, FY19/20's DPU was 7.12 cents compared to 7.69 cents in FY18/19.

mBAY POINT Makuhari is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride from Tokyo Station, the heart of Tokyo's central business district.

On the capital management front, the Manager remained prudent and maintained a healthy liquidity position. As at 31 March 2020, MNACT had sufficient liquidity backed by committed and uncommitted undrawn bank facilities of approximately S$374 million as well as a cash balance of S$208 million to satisfy its working capital and operating requirements in addition to meeting its maturing debt obligations.

MNACT also maintained a well-staggered debt maturity profile with an average term to maturity for debt of 3.4 years and kept the effective interest rate for FY19/20 low at 2.4% per annum. To mitigate the impact of interest rate volatility on distributions, approximately 77% of MNACT's interest cost has been hedged into fixed rates as at 31 March 2020. About 65% of expected foreign-sourced distributable income for H1 FY20/21 has also been hedged into Singapore Dollars to mitigate the exchange rate risk. To strengthen MNACT's balance sheet and lower the gearing level progressively, the Distribution Reinvestment Plan was also implemented from Q3 FY19/20.

OPERATING PERFORMANCE

Despite a challenging macro environment, MNACT's overall portfolio registered a high occupancy level of 95.2%, attesting to the resilience of its portfolio of quality assets.

For the Hong Kong SAR retail sector, the disruptions from the social unrests and the restrictive measures introduced to combat Covid-19 led to an overall decline in Hong Kong SAR retail sales of 20.1% in FY19/20 compared to a year ago. Notwithstanding, Festival Walk recorded a high average occupancy rate for retail leases of 99.8% as at 31 March 2020 with an average rental reversion of 8% for FY19/20.

In FY19/20, the demand for office space in Beijing was weak, with rents under pressure due to the macroeconomic uncertainties and the Covid-19 situation. Consequently, the average occupancy rate at

Omori Prime Building is a 13-storey office building located at Shinagawa-ku, at the fringe of the central five wards in Tokyo.

Gateway Plaza declined to 91.5% as at 31 March 2020. The weak market conditions also impacted rental levels of new and renewed leases at the property.

Sandhill Plaza achieved an occupancy of 98% as at 31 March 2020, with an average rental reversion of 10% for leases that expired in FY19/20. Its performance was underpinned by resilient demand from the technology, media and telecom sector which were relatively less affected by the trade tensions and Covid-19 situation.

For the Japan Properties, the six offices which were acquired in May 2018 registered an average occupancy of 99.1% as at 31 March 2020. However, as one of these properties was converted from single- to multi-tenancies upon the lease expiry of the single tenant, leases were negotiated at lower rates to ramp up occupancy. For the newly acquired mBAY POINT Makuhari and Omori Prime Building, the Manager will focus on increasing occupancy and driving cost efficiencies to improve the net property income margin.

MARKET REVIEW AND OUTLOOK

Looking ahead, FY20/21 is likely to be another challenging year. Globally, economic growth is expected to be severely curtailed, and likely negative, while geopolitical issues and the Covid-19 situation will continue to bear on the macro environment.

In Beijing, the office market is faced with reduced demand and new supply coming onstream. Occupancy rates may come under pressure while rents are expected to edge down further. The Shanghai business park sector is expected to be more resilient, as it is likely to continue to play a significant role in the city's transition to a global centre of innovation.

In Hong Kong SAR, while some of the social distancing measures have eased since early May 2020, the operating environment for retailers continues to be challenging. Vacancies are expected to rise over the next six to 12 months, which will place further pressure on rents over the rest of the year.

In Japan, market uncertainties due to Covid-19 have led to a slower leasing momentum in the office sector, with potential tenants adopting a wait-and-see attitude towards new commitments.

1 While MNACT holds a 98.5% effective interest in the Japan Properties, all property and financial-related figures stated in this section for MNACT's portfolio are based on 100% effective interest in the Japan Properties (which includes the 1.5% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha) unless otherwise stated.

2 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.

3 Includes REIT management fees.

4 Please refer to MNACT's SGX-ST Announcement dated 4 December 2019, titled "Update on Festival Walk and Impact on MNACT".

References:

i. Savills, Beijing Office Leasing (April 2020)

ii. Colliers, Business Park Research, "Opportunities and Market Trends that Reshape Shanghai Business Parks" (24 March 2020)

iii. Savills, Hong Kong Retail Leasing (April 2020)

iv. Cushman & Wakefield, APAC Office Report Outlook 2020 (March 2020)

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Singapore					
Industrial					
43 Keppel Road	Bougainvillea Realty Pte Ltd	100	8,600	11,400	7,800
Tanjong Pagar Distripark	Bougainvillea Realty Pte Ltd	100	40,200	80,500	62,900
Mixed-use					
HarbourFront Centre	HarbourFront Centre Pte Ltd	100	32,900	97,700	66,400
Office					
HarbourFront Tower One	HarbourFront Two Pte Ltd	100	10,900 (combined)	40,300	34,200
HarbourFront Tower Two	HarbourFront Two Pte Ltd	100		19,200	14,200
PSA Vista	Vista Real Estate Investments Pte Ltd	100	12,900	21,900	13,500
St James Power Station	The HarbourFront Pte Ltd	100	17,800	12,900	11,100
Sites for Development/Land Leases					
HF3 Residential Site	HarbourFront Three Pte Ltd	61	28,600	32,000	–
SPI Development Site	HarbourFront Four Pte Ltd	100	25,000	32,000	–
West Coast Ferry Terminal (land lease)	Bougainvillea Realty Pte Ltd	100	19,900	4,100	18,800
Australia					
Serviced Apartment					
Oakwood Apartments Brisbane	Bridge SA (QL) Trust	100	2,966	10,642	6,697
Canada					
Data Centre					
6800 Millcreek	Garrison DC Holdings Pte Ltd	64.6	24,295	–	7,781
China					
Industrial					
Mapletree Fullshine City Industrial Park	Shanghai Fullshine Industrial Development Co Ltd	100	79,269	68,433	66,877

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Chengdu DC Logistics Park	Digital China (Chengdu) Science Park Co Ltd	65.2	32,332	20,769	20,138
Mapletree Anji (International) Industrial Park	Anji Fengao Industrial Co Ltd	100	101,280	60,271	57,108
Mapletree Changchun EDZ Industrial Park	Fengchun Warehouse (Changchun) Co Ltd	100	93,986	53,341	52,127
Mapletree Changchun Kuancheng Modern Industrial Park	Fengkuan Warehouse (Changchun) Co Ltd	100	99,998	60,295	59,055
Mapletree Changsha Airport Logistics Park	Fengchuang Warehouse (Changsha) Co Ltd	100	62,903	35,926	35,108
Mapletree Changsha Industrial Park (Phase 1)	Fengshun Logistics Development (Changsha) Co Ltd	65.2	125,333	76,862	79,253
Mapletree Changsha Industrial Park (Phase 2)	Fengyi Warehouse (Changsha) Co Ltd	65.2	140,207	99,842	97,888
Mapletree Changshu Logistics Park	Changshu Fengjia Warehouse Co Ltd	65.2	100,672	59,538	60,966
Mapletree Chaohu Industrial Logistics Park	Fengxun Warehouse (Chaohu) Co Ltd	100	183,141	122,339	121,381
Mapletree Chengdu Central Kitchen Base	Fengcong Industrial (Chengdu) Co Ltd	100	58,222	44,858	40,910
Mapletree Chengdu Qingbaijiang Logistics Park	Fengqing Warehouse (Chengdu) Co Ltd	100	152,974	109,069	107,379
Mapletree Chengmai Jinma Logistics and Industrial Park	Fenghai Logistics Development (Hainan) Co Ltd	100	133,333	81,975	80,940
Mapletree Chongqing Airport Logistics Park	Fengqian Warehouse (Chongqing) Co Ltd	100	73,602	82,430	77,403
Mapletree Chongqing Bishan Logistics Park	Fengju Warehouse (Chongqing) Co Ltd	100	97,883	55,270	54,555
Mapletree Chongqing Jiangjin Comprehensive Industrial Park	Fengfu Industrial (Chongqing) Co Ltd	100	73,587	47,436	47,037
Mapletree Chongqing Liangjiang Logistics Park	Fengjiang Warehouse (Chongqing) Co Ltd	100	101,351	101,113	104,899

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Chuzhou Industrial Park	Fenghui Industrial (Chuzhou) Co Ltd	100	152,244	101,593	101,472
Mapletree (Cixi) Logistics Park	Fengkang Logistics (Cixi) Co Ltd	80	238,292	137,586	138,587
Mapletree Cross-Border (Chongqing) Logistics Park	Fengzhong Warehouse (Chongqing) Co Ltd	100	88,938	106,769	105,862
Mapletree Dalian International Logistics Park	Fengbin Warehouse (Dalian) Co Ltd	100	119,878	73,409	71,659
Mapletree Dalian Logistics Park	Fengguang Warehouse (Dalian) Co Ltd	80	96,531	56,642	57,739
Mapletree East Sichuan Modern Logistics Park	Fengzhao Warehouse (Nanchong) Co Ltd	100	108,867	60,910	60,049
Mapletree Feixi Industrial Park	Fengyan Warehouse (Hefei) Co Ltd	100	106,036	60,718	60,489
Mapletree Fuqing Logistics Complex Industrial Park	Fengye Warehouse (Fuzhou) Co Ltd	100	136,238	78,323	77,276
Mapletree Gaolan Modern Logistics Park	Lanzhou Fengen Warehouse Co Ltd	100	154,235	87,458	85,703
Mapletree Guizhou Longli Logistics Park	Fenglong Warehouse (Guizhou) Co Ltd	100	102,333	52,563	51,656
Mapletree Haiyan Industrial Park (Phase 1)	Fengcang Industrial (Haiyan) Co Ltd	100	79,669	86,472	67,932
Mapletree Haiyan Industrial Park (Phase 2)	Fenglan Industrial (Haiyan) Co Ltd	100	68,523	77,904	63,823
Mapletree Hangzhou Logistics Park	Fengzhou Warehouse (Hangzhou) Co Ltd	65.2	83,593	94,590	106,726
Mapletree (Harbin) Logistics Park	Harbin Fenggang Warehouse Co Ltd	100	100,000	60,595	59,128
Mapletree Hefei Xinzhan Industrial Park	Fenghong Warehouse (Hefei) Co Ltd	100	93,002	112,444	90,553
Mapletree Huaian Logistics Park	Fengan Warehouse (Huaian) Co Ltd	100	157,023	89,949	89,794
Mapletree Jiangyin Logistics Park	Feng'ang Industrial (Jiangyin) Co Ltd	100	159,277	103,719	101,924

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Jiaozhou Logistics Park	Fenglai (Qingdao) Warehouse Co Ltd	100	66,621	37,109	37,080
Mapletree Jiaxing Industrial Park	Feng'er Warehouse (Jiaxing) Co Ltd	100	75,697	77,062	59,354
Mapletree Jiaxing Logistics Park	Jiaxing Fengyue Warehouse Co Ltd	65.2	62,346	35,735	35,683
Mapletree Jiedong Modern Logistics Comprehensive Industrial Park	Fengdeng (Jieyang) Logistics Park Development Co Ltd	100	68,512	75,205	61,020
Mapletree Jinan International Logistics Park	Fengcheng Logistics Development (Jinan) Co Ltd	65.2	126,770	78,921	80,931
Mapletree Jinghai Logistics Park	Fengjing Warehouse (Tianjin) Co Ltd	100	59,113	34,779	34,572
Mapletree Jinghe Industrial Park	Xi'an Fengjie Warehouse Co Ltd	100	136,051	80,937	79,848
Mapletree Kaifeng Logistics Park	Fengkun Warehouse (Kaifeng) Co Ltd	100	133,696	75,997	74,962
Mapletree Kunming Industrial Park	Kunming Fengyun Warehouse Co Ltd	100	117,671	66,501	65,647
Mapletree Lianyungang Logistics Industry Park	Fengchong Warehouse (Lianyungang) Co Ltd	100	138,686	85,759	84,634
Mapletree (Linhai) Industrial Park	Fengpeng Warehouse (Linhai) Co Ltd	100	223,802	173,837	156,205
Mapletree Liuhe Logistics Park	Fenghao Warehouse (Nanjing) Co Ltd	100	130,237	68,259	71,231
Mapletree Luoyang Logistics Park	Fengluo Warehouse (Luoyang) Co Ltd	100	78,668	36,166	35,221
Mapletree Nanchang Logistics Park	Fengqi Warehouse (Nanchang) Co Ltd	65.2	121,134	71,482	73,950
Mapletree Nanjing Logistics Park	Fenghu Warehouse (Nanjing) Co Ltd	100	108,341	109,484	89,856
Mapletree Nantong Chongchuan Logistics Park	Fengrui Logistics (Nantong) Co Ltd	65.2	135,735	75,545	78,624
Mapletree Nantong (EDZ) Logistics Park	Fengchi Logistics (Nantong) Co Ltd	80	108,782	67,895	67,504

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Ningbo Hangzhou Bay Intl' Industrial Park	Ningbo Hangzhou Bay Fengtao Industrial Co Ltd	100	153,707	174,221	151,951
Mapletree Panjin Supply-Chain Industrial Park	Panjin Fenghe Warehouse Co Ltd	100	113,827	72,347	71,442
Mapletree Putian Xiuyu Comprehensive Logistics Park	Fengyou Warehouse (Putian) Co Ltd	100	113,861	63,467	62,682
Mapletree Qingdao Huangdao Logistics Park	Fenglu Warehouse (Qingdao) Co Ltd	100	100,000	75,856	74,192
Mapletree (Quanzhou TIZ) Logistics Park	Quanzhou Fenglian Warehouse Co Ltd	100	104,793	105,332	108,242
Mapletree Shenfu International Logistics Park	Liaoning Fengsheng Warehouse Co Ltd	100	59,275	36,542	35,664
Mapletree Shenyang Logistics Park	Fengda Warehouse (Shenyang) Co Ltd	65.2	71,361	41,846	42,881
Mapletree Shijiazhuang Lingshou Logistics Park	Fenghui Warehouse Shijiazhuang Co Ltd	100	133,886	74,912	73,871
Mapletree Suzhou Logistics Park	Fengwang Warehouse (Suzhou) Co Ltd	100	60,633	68,716	51,600
Mapletree Tianjin Wuqing Logistics Park	Fengquan Warehouse (Tianjin) Co Ltd	65.2	47,101	29,057	29,148
Mapletree Tianjin Xiqing Logistics Park	Fengwei Warehouse (Tianjin) Co Ltd	100	66,668	37,115	37,689
Mapletree Tongxiang Industrial Park	Fengtong Industrial (Tongxiang) Co Ltd	100	79,347	87,253	68,869
Mapletree Tuanfeng Logistics Park	Fengmao (Tuanfeng) Warehouse Co Ltd	100	128,251	75,504	74,467
Mapletree Wenzhou ETDZ Industrial Park	Fengfan Industrial (Wenzhou) Co Ltd	100	160,008	141,247	125,154
Mapletree Wuhan Yangluo Logistics Park	Fengying Logistics (Wuhan) Co Ltd	65.2	116,467	68,126	69,984
Mapletree Wuxi New District Logistics Park	Fengshuo Warehouse Development (Wuxi) Co Ltd	65.2	99,958	119,599	122,403

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree (Xi'an) Fengdong Industrial Park	Fenghang Logistics Development (Xi'an) Co Ltd	65.2	119,422	62,860	63,558
Mapletree Xiangtan Logistics Park	Xiangtan Fengxiu Warehouse Co Ltd	100	143,095	69,911	68,645
Mapletree Xiaogan Linkong Logistics Park	Fengmin Logistics (Xiaogan) Co Ltd	80	124,342	75,867	77,882
Mapletree Xixian Airport Logistics Park	Fengyang (Xixian New District) Warehouse Development Co Ltd	100	122,286	72,047	71,006
Mapletree Xuzhou Logistics Park	Fenghuai Warehouse (Xuzhou) Co Ltd	100	116,032	106,455	92,842
Mapletree Yangzhou Industrial Park	Fengyuan Warehouse (Yangzhou) Co Ltd	100	139,965	84,851	83,807
Mapletree Yantan Modern Industrial Logistics Park	Yantai Fengjun Warehouse Co Ltd	100	119,210	67,365	65,071
Mapletree (Yaozhuang) Science and Technology Industrial Park	Fenggao Industrial (Jiaxing) Co Ltd	100	116,164	137,592	117,046
Mapletree Yiliang Industrial Park	Fengting (Kunming) Warehouse Co Ltd	100	99,856	56,644	56,116
Mapletree Yinchuan Gongtie Modern Industrial Park	Ningxia Fengxia Warehouse Co Ltd	100	134,218	75,635	74,883
Mapletree Yiwu Logistics Park	Fengzhuo Warehouse (Yiwu) Co Ltd	100	149,488	128,393	113,923
Mapletree Yixing Logistics Park	Fenghuan Warehouse (Yixing) Co Ltd	100	133,492	74,740	72,504
Mapletree (Yuyao) Logistics Park	Fengxuan Logistics (Yuyao) Co Ltd	80	83,622	46,811	48,914
Mapletree (Yuyao) Logistics Park II	Fengyu Warehouse (Yuyao) Co Ltd	100	119,864	69,820	69,824
Mapletree Zhangzhou Modern Logistics Park	Zhangzhou Xinzhanwang Industrial Co Ltd	100	69,660	81,226	65,571
Mapletree Zhengzhou Airport Logistics Park	Zhengzhou Fengzhuang Warehouse Co Ltd	100	161,718	95,951	95,419
Mapletree Zhenjiang Logistics Park	Fengzhen Logistics (Zhenjiang) Co Ltd	65.2	172,106	98,553	101,616

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
China					
Logistics					
Mapletree Zhongshan Modern Logistics Park	Fengteng Warehouse (Zhongshan) Co Ltd	100	41,163	24,265	24,112
Mapletree (Zhumadian) Logistics Park	Fengxing Warehouse (Zhumadian) Co Ltd	100	100,000	62,849	61,814
Mapletree Zhuzhou Logistics Park	Zhuzhou Fengwo Warehouse Co Ltd	100	105,016	57,038	56,102
Weifang Mapletree Modern Supply Chain Industrial Park	Fengshou Warehouse (Weifang) Co Ltd	100	52,338	31,911	30,981
Office					
mTower Beijing	Beijing Yinhe Yongtai Business Management Co Ltd	100	–	51,235	51,235
mPlaza Guangzhou	Guangzhou Xingjian Xingsui Real Estate Co Ltd	65	12,047	108,849	108,849
Germany					
Office					
Dachauer Strasse 641 - 655	Rhein Assets S.a.r.l. & West Munich Assets S.a.r.l.	100	52,225	60,041	58,564
India					
Office					
Global Infocity Park Chennai	Faery Estates Private Limited	100	50,077	–	252,415
Global Technology Park	Adamas Builders Private Limited	100	52,862	–	173,786
Ireland					
Office					
Nova Atria	Nova Asset (Dublin) Limited	100	15,499	31,140	31,140
The Sorting Office	Nova Asset (Dublin) Limited	100	5,600	25,437	19,787
Japan					
Serviced Apartment					
Oakwood Apartments Azabudai, Tokyo	Kashinoki TMK	100	323	2,865	2,865
Oakwood Suites Yokohama	Matsunoki TMK	100	1,735	14,231	9,767

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Japan					
Office					
TF Nishidai Building	Godo Kaisha Zelkova	100	11,085	22,792	14,576
Malaysia					
Logistics					
Mapletree Logistics Hub – Tanjung Pelepas, Iskandar	Trinity Bliss Sdn Bhd	80	112,988	133,698	131,638
Retail					
Jaya Shopping Centre	Jaya Section Fourteen Sdn Bhd	100	8,600	65,900	24,500
Poland					
Logistics					
Lubuskie 2 Building (Dirks BTS)	AlexandraLog PLW04 Sp. Z.o.o.	100	–	–	44,293
Wroclaw 2 Building 1 (Wroclaw II – A1)	AlexandraLog PLSW01 Sp. Z.o.o.	100	–	–	34,005
Wroclaw 2 Building 2 (Wroclaw II – A2)	AlexandraLog PLSW01 Sp. Z.o.o.	100	–	–	18,724
Wroclaw 2 Building 3 (Wroclaw II – A3b)	AlexandraLog PLSW01 Sp. Z.o.o.	100	–	–	30,570
Wroclaw 2 Building 4 (Wroclaw II – A3a)	AlexandraLog PLSW01 Sp. Z.o.o.	100	–	–	26,229
Office					
West Station	West Station Investment Sp. Z.o.o. & West Station Investment 2 Sp. Z.o.o.	100	15,138	115,859	68,851
The UK					
Mixed-use					
Green Park	Green Park Reading No. 1 LLP	100	790,000	–	126,248
Office					
3 Hardman Street	Hardman Investments Unit Trust	100	6,330	–	36,777
Diageo Headquarters	Derry Park Assets (UK) Limited	100	6,020	–	14,684
iQ Building	Aberdeen IQ Unit Trust	100	4,200	–	11,665
One Glass Wharf	Glass Wharf JV Limited	100	4,950	–	20,080

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
The US					
Serviced Apartment					
Oakwood Arlington	Arlington Assets LLC	100	5,129	19,045	14,374
Oakwood Chicago River North	River North Assets LLC	100	1,477	27,592	15,680
Oakwood Dallas Uptown	Bryson Noble LLC	100	9,442	27,691	20,893
Oakwood Miracle Mile	Eighth Wilshire LLC	100	3,349	8,323	7,174
Oakwood Mountain View	Boulevard City LLC	100	9,300	15,030	12,024
Oakwood Olympic & Olive	Eighth Wilshire LLC	100	4,664	17,366	13,513
Oakwood Portland Pearl District	Everett City LLC	100	1,858	9,662	7,383
Oakwood Raleigh at Brier Creek	Courtney NC LLC	100	77,619	36,023	27,380
Oakwood Redwood City	Boulevard City LLC	100	10,035	12,588	10,028
Oakwood Seattle South Lake Union	Dexter City LLC	100	1,349	11,076	6,311
Oakwood Silicon Valley	Labrador Cascades LLC	100	19,534	12,755	12,148
Data Centre					
2 Christie Heights, Leonia	Ambrose DC Assets LLC	72.7	13,593	–	6,224
115 Second Avenue	Medina DC 2 Assets LLC	64.6	11,841	–	6,199
180 Peachtree Street, Atlanta	Etowah DC Assets LLC	72.7	12,551	–	33,207
375 Riverside Parkway	Medina DC 1 Assets LLC	64.6	129,471	–	23,244
402 Franklin Road, Brentwood	Redwood DC Assets LLC	72.7	175,478	–	32,285
1001 Windward Concourse, Alpharetta	Cumberland DC Assets LLC	72.7	82,910	–	17,145
1221 Coit Road, Plano	Denali DC Assets LLC	72.7	29,363	–	11,961
1805 Center Park Drive, Charlotte	Gannett DC Assets LP	72.7	27,478	–	5,653
2000 Kubach Road, Philadelphia	Navarro DC Assets LLC	72.7	103,604	–	11,537
2055 East Technology Circle	Medina DC 1 Assets LLC	64.6	36,743	–	7,093
2775 Northwoods Parkway, Atlanta	Redwood DC Assets LLC	72.7	13,038	–	3,041
3300 Essex Drive, Richardson	Redwood DC Assets LLC	72.7	6,156	–	1,858

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
The US					
Data Centre					
5000 South Bowen Road, Arlington	Savannah DC Assets LLC	72.7	113,446	–	8,425
5150 McCrimmon Parkway, Morrisville	Humphreys DC Assets LP	72.7	49,533	–	13,356
7337 Trade Street, San Diego	Redwood DC Assets LLC	72.7	68,239	–	46,395
8534 Concord Center Drive	Medina DC 1 Assets LLC	64.6	19,799	–	7,958
11900 East Cornell Avenue	Monterey DC Assets LLC	64.6	39,538	–	26,494
17201 Waterview Parkway	Monterey DC Assets LLC	64.6	38,093	–	5,737
19675 W Ten Mile Road, Southfield	Galveston DC Assets LLC	72.7	11,252	–	4,918
21110 Ridgetop Circle	Medina DC 2 Assets LLC	64.6	34,367	–	12,590
21561-21571 Beaumeade Circle	Monterey DC Assets LLC	64.6	57,260	–	15,278
21744 Sir Timothy Drive (ACC 10)	Mason DC Assets LLC	51.7	67,016	–	26,849
21745 Sir Timothy Drive (ACC 9)	Mason DC Assets LLC	51.7	76,157	–	30,458
44490 Chilum Place (ACC 2)	Mason DC Assets LLC	51.7	89,442	–	8,083
45901 - 45845 Nokes Boulevard	Medina DC 2 Assets LLC	64.6	49,589	–	15,530
N15W24250 Riverwood Drive, Pewaukee	Redwood DC Assets LLC	72.7	55,630	–	13,280
Logistics					
105 E Oakton St	Sheares Logistics Assets LLC	100	26,709	–	16,774
302 E University Drive	Sheares Logistics Assets LLC	100	16,916	–	7,058
319 Richard Mine Road	Sheares Logistics Assets LLC	100	34,884	–	7,493
650 Long Beach Boulevard	Helix Logistics Assets LLC	100	48,651	–	10,870
800 NW 33rd Street	Helix Florida 2 Logistics Asset LLC	100	12,440	–	4,032
1301 Tower Rd	Helix Logistics Assets LLC	100	24,155	–	4,682
1881 Rose Road	Helix Logistics Assets LLC	100	26,474	–	9,422
2050 S Mt Prospect Road	Sheares Logistics Assets LLC	100	24,604	–	13,268

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
The US					
Logistics					
2304 Tarpley Road	Helix Logistics Assets LLC	100	33,552	–	9,768
2935 Ramco Street	Sheares Logistics Assets LLC	100	100,401	–	41,305
4475 West 700 South	Sheares Logistics Assets LLC	100	72,681	–	32,115
6490 Hazeltine National Drive	Helix Florida 1 Logistics Asset LLC	100	12,505	–	3,152
7825 Rappahannock Ave	Helix Logistics Assets LLC	100	22,298	–	11,228
7850 Oceano Ave	Helix Logistics Assets LLC	100	22,338	–	10,472
11200 88th Ave	Helix Logistics Assets LLC	100	81,259	–	25,182
14325 Gillis Road	Sheares Logistics Assets LLC	100	37,761	–	16,286
14327 Gillis Road	Sheares Logistics Assets LLC	100	12,395	–	5,346
Multifamily					
Denizen	Denver Properties I, LLC	100	11,644	27,710	17,768
Latitude 45	Minneapolis Properties III, LLC	100	4,446	36,593	24,318
Mint Urban Infinity	Glendale Properties II, LLC	100	47,690	40,433	39,180
Place on Ponce	Decatur Properties I, LLC	100	8,463	21,668	19,698
Office					
50 South Sixth	South Sixth Office LLC	100	4,731	100,832	64,903
Vietnam					
Serviced Apartment					
Oakwood Residence Saigon	Saigon South Serviced Apartments Co Ltd	100	5,143[1]	34,382	20,992
Industrial					
Mapletree Business City @ Binh Duong	Mapletree Business City (Vietnam) Co Ltd	100	748,760	706,557	148,720
Logistics					
Mapletree Logistics Park Bac Ninh Phase 3-5	Mapletree Logistics Park Bac Ninh Phase 3 (Vietnam) Co Ltd Mapletree Logistics Park Bac Ninh Phase 4 (Vietnam) Co Ltd Mapletree Logistics Park Bac Ninh Phase 5 (Vietnam) Co Ltd	100	353,500	185,090	174,740

Name of Building/Site	Asset Company	Effective Stake (%)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)
Vietnam					
Logistics					
Mapletree Logistics Park Binh Duong Phase 3-6	Mapletree Logistics Park Phase 3 (Vietnam) Co Ltd Mapletree Logistics Park Phase 4 (Vietnam) Co Ltd Mapletree Logistics Park Phase 5 (Vietnam) Co Ltd Mapletree Logistics Park Phase 6 (Vietnam) Co Ltd	100	452,231	241,322	240,926
Mixed-use					
mPlaza Saigon	Saigon Boulevard Complex Company Limited	100	13,632	146,000	79,558
Pacific Place	Ever Fortune Trading Center Joint Stock Company	100	5,430	42,725	22,802
Office					
CentrePoint	Nguyen Vu Investment Joint Stock Company	100	4,163	44,732	26,293
Mapletree Business Centre	Saigon South Office 1 Co Ltd	100	1,750	29,570	23,384
Residential					
One Verandah	Riverfront TML (Vietnam) Company Ltd	100	16,684	107,777	62,593
RichLane Residences	Saigon South Serviced Apartments Co Ltd	100	5,143[1]	28,868	19,048
Retail					
SC VivoCity	Vietsin Commercial Complex Development Joint Stock Company	62	33,580	62,600	42,278

PROPERTY PORTFOLIO

Name of Building/Site	Asset Company	Effective Stake (%)	Number of Beds	Gross Floor Area (sqm)
Canada				
Student Accommodation				
Parc Cite	3275262 Nova Scotia Company	100	280	7,653
The UK				
Student Accommodation				
Calcott Ten	Coventry Assets (UK) Limited	100	736	27,700
Westwood Student Mews	Warwick Assets S.a.r.l.	100	453	12,108
Millennium View	Coventry Assets (UK) Limited	100	391	10,057
Pablo Fanque House	Norfolkshire Assets Limited	100	244	7,710
The Maltings	Cambridgeshire Assets Limited	100	779	26,385
The US				
Student Accommodation				
4th Street Commons	Sweetwater Properties I, LLC	100	562	40,378
700 on Washington	Minneapolis Properties II, LLC	100	157	11,808
930 NoMo	Charleston Properties I, LLC	100	430	32,748
evo at Cira Centre South	Chester Loft LLC	100	850	29,663
SkyVue Apartments	Pittsburgh Properties I, LP	100	627	40,877
The Chestnut at University City	EM Chestnut Venture LLC	96	513	38,292
The District at Campus West	Fort Collins Properties I, LLC	100	659	29,002
Todd	Columbia Properties II, LLC	100	351	14,493
WaHu	Minneapolis Huron Properties I, LLC	100	825	50,690

1 Combined land area for Oakwood Residence Saigon and RichLane Residences

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

OUR OFFICES

SINGAPORE

Mapletree Investments Pte Ltd
10 Pasir Panjang Road #13-01,
Mapletree Business City,
Singapore 117438
Tel: +65 6377 6111
Fax: +65 6273 2753

AUSTRALIA

Mapletree Asset Management Pty Ltd
Suite 22.03, Level 22,
580 George Street,
Sydney NSW 2000, Australia
Tel: +61 2 9026 8418

CHINA

Shanghai Mapletree Management Co Ltd
11/F, Taikang Insurance Tower,
No. 429 North Nanquan Road,
Pudong New Area,
Shanghai 200120, China
Tel: +86 21 2316 7677
Fax: +86 21 2316 7700

Beijing Mapletree Huaxin Management Consultancy Co Ltd
Suite 5BCD1 Tower B, Gateway Plaza,
18 Xiaguangli, East Third Ring North Road, Chaoyang District,
Beijing 100027, China
Tel: +86 10 5793 0333
Fax: +86 10 5793 0300

Foshan Mapletree Management Consultancy Co Ltd
0502 & 0503, Block 30, Fufeng Plaza,
No. 1 Foping 4th Road,
Guicheng Street, Nanhai, Foshan,
Guangdong 528251, China
Tel: +86 757 6686 0900
Fax: +86 757 6686 0939

Guangzhou Mapletree Huaxin Enterprise Management Consultancy Co Ltd
Unit 4108, Tower A,
Zhongtai International Square,
No. 161, Linhe Xi Road,
Tianhe District, Guangzhou,
Guangdong, 510610, China
Tel: +86 20 3250 2000
Fax: +86 20 8852 3101

HONG KONG SAR

Mapletree Hong Kong Management Limited
Suites 2001-2, 20/F,
Great Eagle Centre,
23 Harbour Road, Wan Chai,
Hong Kong
Tel: +852 2918 9855
Fax: +852 2918 9915

INDIA

Mapletree India Management Services Private Limited
Tower A, Ground Floor,
Global Technology Park,
Marathahalli Outer Ring Road,
Devarabeesanahalli Village,
Varthur Hobli, Bengaluru 560103,
Karnataka, India
Tel: +91 80 6639 0800
Fax: +91 80 6639 0888

JAPAN

Mapletree Investments Japan Kabushiki Kaisha
Level 10, Omori Prime Building,
6-21-12 Minamioi, Shinagawa-ku,
Tokyo 140-0013, Japan
Tel: +81 3 6459 6469
Fax: +81 3 3766 3133

MALAYSIA

Mapletree Malaysia Management Sdn Bhd
Suite 12.05, Level 12,
Centrepoint North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia
Tel: +603 2289 9000
Fax: +603 2283 6128

POLAND

Mapletree Management (Poland) Sp. Z.O.O.
West Station II, 1st floor,
Al. Jerozolimskie 142B,
02-305 Warszawa, Poland
Tel: +48 22 375 94 20

SOUTH KOREA

Mapletree Korea Management Co Ltd
5F Twin City Namsan,
366 Hangang-daero, Yongsan-gu,
Seoul, South Korea, 04323
Tel: +82 2 6742 3200
Fax: +82 2 6742 3230

THE NETHERLANDS

Mapletree Management (Netherlands) B.V.
Amsterdam Atrium, 5th floor, Tower 2,
Centre Building, Strawinskylaan 3071,
1077 ZX Amsterdam, The Netherlands
Tel: +31 020 820 9900

THE UNITED KINGDOM

Mapletree UK Management Limited
Floor 1B, 80 Hammersmith Road,
London, W14 8UD, United Kingdom
Tel: +44 207 6054 668

THE UNITED STATES

Mapletree US Management, LLC
5 Bryant Park, 28th floor,
New York, NY 10018, United States
Tel: +1 646 908 6300

311 South Wacker Drive, Suite 520,
Chicago, IL 60606, United States

1 World Trade Center, 24th floor
Long Beach, CA 90831, United States
Tel: +1 562 473 7300

180 Peachtree Street, Suite 610
Atlanta, GA 30303, United States

14800 Quorum Drive, Suite 287,
Dallas, TX 75254, United States

VIETNAM

Mapletree Vietnam Management Consultancy Co Ltd
18 L2-1 Tao Luc 5 Street, Vietnam-Singapore Industrial Park II (VSIP II),
Binh Duong Industry - Service - Urban Complex, Hoa Phu Ward,
Thu Dau Mot City, Binh Duong Province, Vietnam
Tel: +84 274 3543 688
Fax: +84 274 3767 678

Unit 501, Mapletree Business Centre,
1060 Nguyen Van Linh Parkway,
Tan Phong Ward, District 7,
Ho Chi Minh City, Vietnam
Tel: +84 28 3776 0304/5
Fax: +84 28 3776 0375

Unit 306, Pacific Place Building,
83B Ly Thuong Kiet Street,
Hoan Kiem District,
Hanoi, Vietnam
Tel: +84 24 3946 0355
Fax: +84 24 3946 0359

INVESTMENT ACTIVITIES AND CAPITAL MANAGEMENT

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

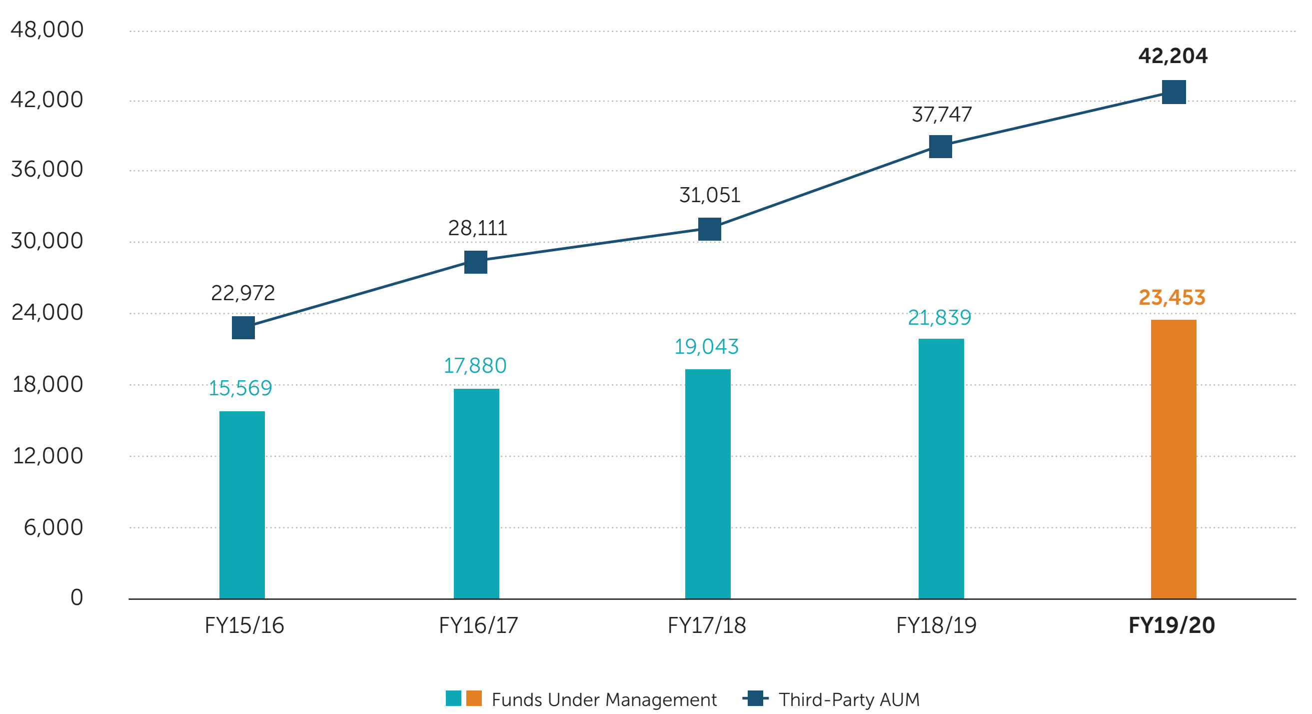
Mapletree has built up a wealth of experience in the real estate capital management market. The Group is currently managing or has managed 14 capital management vehicles on behalf of many of the world's top institutional investors including sovereign wealth funds, pension funds, insurance companies, banks and private investors. Our real estate portfolio offers investors exposure to both diversified and sector-focused portfolios across the public and private real estate markets.

The Group has built a strong reputation as an industry leader in the Singapore REIT market and private capital management business with origination, structuring and fundraising capabilities. As at 31 March 2020, Mapletree has assets under management (AUM) of S$60.5 billion, of which S$42.2 billion (69.8% of AUM) are third-party managed assets under four Singapore-listed REITs and six private funds[1]. In the last decade, Mapletree has grown its third-party AUM by more than five times.

In line with our business objective to deliver consistent and high returns, Mapletree constantly seeks new opportunities to launch new capital management platforms and focuses on building lasting relationships with its capital partners by leveraging its strong pipeline and performance of real estate assets.

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

(S$ million)



Enhanced Capital Management Portfolio with New Australian Fund – Mapletree Australia Commercial Private Trust (MASCOT)

Mapletree has continued to boost its capital management capabilities and expanded its geography of private funds in Financial Year 2019/2020 (FY19/20). In November 2019, Mapletree successfully closed a commercial private trust in Australia, MASCOT, with A$654 million (~S$592 million) in equity. Mapletree retained a 24%[2] stake in MASCOT, demonstrating alignment of its interest with those of the investors. MASCOT aims to deliver an attractive total return by investing in high quality commercial assets in Australia. It is a fully invested income yielding fund comprising 10 commercial assets strategically located in key gateway cities namely Sydney, Melbourne, Adelaide, Brisbane and Perth.

US$1.8 billion (~S$2.5 billion) Equity Raised for Mapletree's First Pan United States (US)-European Logistics Fund – Mapletree US & EU Logistics Private Trust (MUSEL)

The Group has also successfully completed its syndication of MUSEL. MUSEL is a fully invested income yielding portfolio comprising 262 logistics assets across 26 states in the US and 20 cities across seven European countries, with a total investment value of US$4.3 billion (~S$6 billion), raising a total of US$1.8 billion (~S$2.5 billion) in equity. Despite the competitive fundraising environment, it attracted strong investor support from a geographically diversified group of investors that includes insurance companies, financial institutions and family offices. Mapletree continues to retain a 33%[2] stake in MUSEL to align with investor interests, similar to its approach with other sponsored private funds and its four Singapore-listed REITs.

The success in syndicating both MASCOT and MUSEL is testament to the strong confidence that investors have in Mapletree's capital management and global real estate capabilities.

In addition to MASCOT and MUSEL, Mapletree manages four other funds – Mapletree China Opportunity Fund II (MCOF II), Mapletree India China Fund (MIC Fund), Mapletree Global Student Accommodation Private Trust (MGSA) and Mapletree's Japan-focused logistics development fund (MJLD).

UPCOMING SUCCESSFUL EXIT OF MJLD

MJLD was launched in 2014 with a committed capital of JPY51 billion (~S$689 million) which exceeded the original target of JPY44 billion (~S$594 million). The fund was set up with an objective to invest in logistics development assets and select completed logistics assets in Japan. Upon the end of its investment period in 2017, MJLD had made 12 investments, which account for around 80%[3] of MJLD's capital commitment. The divestment of the projects started in 2018 with the earliest divestment of three assets in September 2018. The fund sold six assets as a portfolio to a fund managed by Blackstone in July 2019. The divestment of other assets took place subsequently with the final asset disposed to Mapletree Logistics Trust (MLT) in February 2020. With the divestment of all the assets, MJLD is on track to deliver an expected return of 1.8 times equity multiple and net IRR[4] of 23.7%, attesting to the Group's ability to deliver high returns to its investors.

ACHIEVED A SUCCESSFUL EXIT – MIC FUND

MIC Fund was launched in 2008 with a committed capital of US$1.2 billion (~S$1.7 billion). The fund was set up with an objective to invest in commercial, residential and mixed-use property developments in two large emerging economies, China and India. Upon the end of its investment period in 2013, MIC Fund[1] had made seven investments. The projects have been progressively divested since 2011 and the fund was fully realised in April 2020, achieving a net IRR[4] estimated at 13.6% and 2.0 times equity multiple.

DELIVERING STABLE RETURNS BACKED BY STRONG SPONSOR

Mapletree continues to syndicate new private funds to meet investors' needs, as well as deliver strong and sustainable returns to investors via its listed platforms. Strengthening the Group's capital management capability is an important strategy to achieve its optimal capital structure. The Group's four Singapore-listed REITs – namely MLT, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust – have performed strongly, maintained credible earnings and consistently delivered strong returns to its investors since their respective initial public offerings. This demonstrates the high quality of Mapletree's REITs and their portfolios, as well as Mapletree as a committed and strong sponsor. The four REITs also achieved an annual distribution yield per unit of between 4.4% and 8.5% in FY19/20.

BROADENING OUR GLOBAL PRESENCE

During the year, Mapletree further expanded globally, beyond Asia, in terms of its investment footprint and client coverage. The Group enlarged its commercial portfolio in Europe by acquiring office assets in Ireland and Poland. The AUM for the Europe commercial portfolio is approximately S$2 billion, representing approximately 10% of the overall commercial AUM of Mapletree. In September 2019, the Group and Mapletree Industrial Trust (MIT) announced the 50:50 joint

INVESTMENT ACTIVITIES AND CAPITAL MANAGEMENT

venture to acquire 10 powered shell data centres from Digital Realty, and to enter into a joint venture with Digital Realty to co-invest in three existing Digital Realty hyperscale data centres. The total transaction is valued at US$1.4 billion (~S$1.9 billion). Mapletree has become a truly global real estate manager with a high quality, diversified international investor base. The Group endeavors to align the development of current and new products with its investors' evolving investment requirements. Mapletree will continue to grow the size of its capital management business by developing innovative real estate investment products that cater to the varying investment needs and risk-return profiles of investors. The Group is currently exploring the possibility of launching a private fund with its Europe commercial portfolio.

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Life (Years)	Fund Size/ NAV[5]
Private Funds – Existing						
Mapletree Australia Commercial Private Trust (MASCOT)	Established with the objective to invest in income generating commercial assets that are strategically located in key Australian gateway cities.	2019	Australia	Commercial	5	A$654 million (~S$592 million)
Mapletree US & EU Logistics Private Trust (MUSEL)	Established with the objective to invest in high quality and strategically located logistics asset in the US and Europe.	2019	The US and Europe	Logistics	7	US$1.8 billion (~S$2.5 billion)
Mapletree Global Student Accommodation Private Trust (MGSA)	Established with the objective to invest in an attractive and resilient income-producing student accommodation portfolio in the UK and the US.	2017	The UK and the US	Student Accommodation	5	US$535 million (~S$742 million)
MJLD	Established with the objective of generating attractive total returns by investing in logistics development assets in Japan.	2014	Japan	Logistics	6	JPY51 billion (~S$689 million)
Mapletree China Opportunity Fund II (MCOF II)	Established with the objective of maximising total returns by investing in a portfolio of development projects and projects with value enhancement potential located in Tier 1 and Tier 2 cities in China.	2013	China	Commercial, Industrial, Residential and Mixed-use	9	US$1.4 billion (~S$1.9 billion)
Mapletree India China Fund (MIC Fund)[1]	Established with the objective of maximising total returns by acquiring, developing and realising real estate projects in China and India.	2008	China and India	Commercial and Mixed-use	12	US$1.2 billion (~S$1.7 billion)

Name of Fund/ REIT	Brief Description	Launch/ Listing Date	Investment Universe	Investment Focus	Fund Size/ NAV[5]
Private Funds – Fully realised					
MJOF	Established with the objective of generating a stable and recurring income yield with an attractive total return, by investing predominantly in income-generating office spaces located primarily on or around the fringe of Tokyo CBD and within the Greater Tokyo area. Fully realised and achieved 1.9 times equity multiple and net IRR[4] of 27.2%.	2014	Japan	Commercial	JPY65 billion (~S$878 million)
Mapletree Industrial Fund (MIF)	Established with the objective of investing in industrial assets in Asia for yield and appreciation. Fully realised and achieved 1.5 times multiple and net IRR[4] of 15.1%.	2006	Pan Asia	Industrial	US$299 million (~S$415 million)
Mapletree Industrial Trust - Private (MITP)	Held the S$1.7 billion of industrial assets acquired from JTC in 2008. Fully realised and achieved 1.5x multiple and net IRR[4] of 19.1%.	2008	Singapore	Industrial	S$708 million
Mapletree Real Estate Mezzanine Fund (MREM)	Focused on originating and executing real estate mezzanine loans in Asia. Fully realised in FY07/08 and achieved 1.2 times equity multiple and net IRR[4] of 25.3%.	2005	Pan Asia	All	S$90 million
Public Listed – REITs					
Mapletree North Asia Commercial Trust (MNACT)	REIT investing in a diversified portfolio of income-producing commercial real estate in Greater China and Japan.	2013	Greater China and Japan	Commercial	S$4.7 billion
Mapletree Commercial Trust (MCT)	REIT investing on a long-term basis in a diversified portfolio of office and retail assets in Singapore.	2011	Singapore	Commercial	S$5.8 billion
Mapletree Industrial Trust (MIT)	REIT investing in a diversified portfolio of income-producing assets used for industrial purposes in Singapore and income-producing assets used primarily as data centres beyond Singapore.	2010	Singapore and North America[6]	Industrial & Data Centres	S$3.6 billion
Mapletree Logistics Trust (MLT)	First Asia-focused logistics REIT in Singapore, with the principal strategy of investing in a diversified portfolio of income-producing logistics real estate and real estate related assets in Asia Pacific.	2005	Asia Pacific	Logistics	S$4.6 billion

Note: All information provided as at 31 March 2020 unless otherwise stated.

1 MIC Fund was fully realised in April 2020.

2 Excluding director and senior management's stake in fund.

3 Total required equity for projects (including amount drawn from fund level loan for bridging purpose) as a percentage of total committed equity.

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

5 Total fund size for private funds; NAV attributable to unitholders for listed REITs as at 31 March 2020.

6 Invest in income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore.

At Mapletree, we believe in the importance of incorporating sustainability into our business value chain and operations in order to achieve sustained outcomes for the people and communities in the markets we operate in. At the same time, we ensure that we minimise the environmental impact of our business.

We continue to support initiatives that are aligned to the four key pillars of our Corporate Social Responsibility (CSR) programme – the arts, education, environment and healthcare. In Financial Year 2019/2020, Mapletree committed and disbursed more than S$6.1 million to various CSR causes.

Social Sustainability

At Mapletree, we believe that a high-performing company is the result of its employees. As an employer, it is important to provide a work environment that not only enables employees to grow but one that safeguards their health and safety. This ensures that employees are able to maximise their potential and continue creating value through the things that they do. The Group is committed to long-term partnerships with stakeholders and beneficiaries with sustained outcomes.

Environmental Sustainability

Environmental conservation has long been a big part of Mapletree's agenda. The Group understands the far-reaching and adverse impacts that climate change has on our society. Hence, throughout the years, the Group has rolled out numerous initiatives to improve the energy and water efficiency of its major commercial assets.

Economic Sustainability

Mapletree focuses on delivering value to its stakeholders through the well-executed key elements of its business model. This ensures a continued sustainable stream of income and high profitability. In executing a business strategy that combines the roles of real estate development, investment, capital and property management, Mapletree has generated consistent and good returns to its stakeholders, and established a track record for building award-winning development projects across various real estate classes.

FULFILLING ASPIRATIONS

MAKING A DIFFERENCE THROUGH SUSTAINABLE PRACTICES

SUSTAINABILITY REPORT

As a leading real estate development, investment, capital and property management company headquarted in Singapore, Mapletree Investments Pte Ltd (Mapletree) is committed to incorporating sustainable practices and minimising its environmental footprint in its business operations.

The Group is pleased to present its fourth Sustainability Report (SR), prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

We welcome all questions and feedback on Mapletree's sustainability reporting practices at enquiry@mapletree.com.sg.

102-53

ABOUT THE REPORT

Reporting scope

102-46 102-50 102-52

This report covers the sustainability performance of Mapletree for the Financial Year 2019/2020 (FY19/20) from 1 April 2019 to 31 March 2020. The data from prior years has been included for comparison, where available. Unless otherwise stated, all information disclosed in the Group's SR relates to Mapletree, except property-specific data which are applicable to properties within Mapletree's non-listed portfolio in Singapore.

The SR should be read together with the financial, operational and governance information detailed in the Annual Report (AR), as well as the SRs published by the Group's four Singapore-listed real estate investment trusts (REITs) – Mapletree Logistics Trust (MLT), Mapletree Industrial Trust (MIT), Mapletree Commercial Trust (MCT) and Mapletree North Asia Commercial Trust (MNACT) – for a more comprehensive picture of Mapletree's business and performance.

Reporting standards

102-54

The GRI Standards was selected as it represents the global best practice for organisations to report on a wide range of economic, environmental, social and governance (ESG) impacts. We have also applied additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures which are relevant to our industry. Supplementary details are included on our methodology on Page 118.

OUR SUSTAINABILITY APPROACH

At Mapletree, we strive to create long-term value for our stakeholders by incorporating sustainable practices into our daily operations and activities. We remain committed to building good relationships with our stakeholders through the following key activities:

Safeguarding the health and safety of our employees and stakeholders

Supporting projects which have a positive impact on local communities

Minimising the environmental footprint of our business

Maintaining high ethical standards

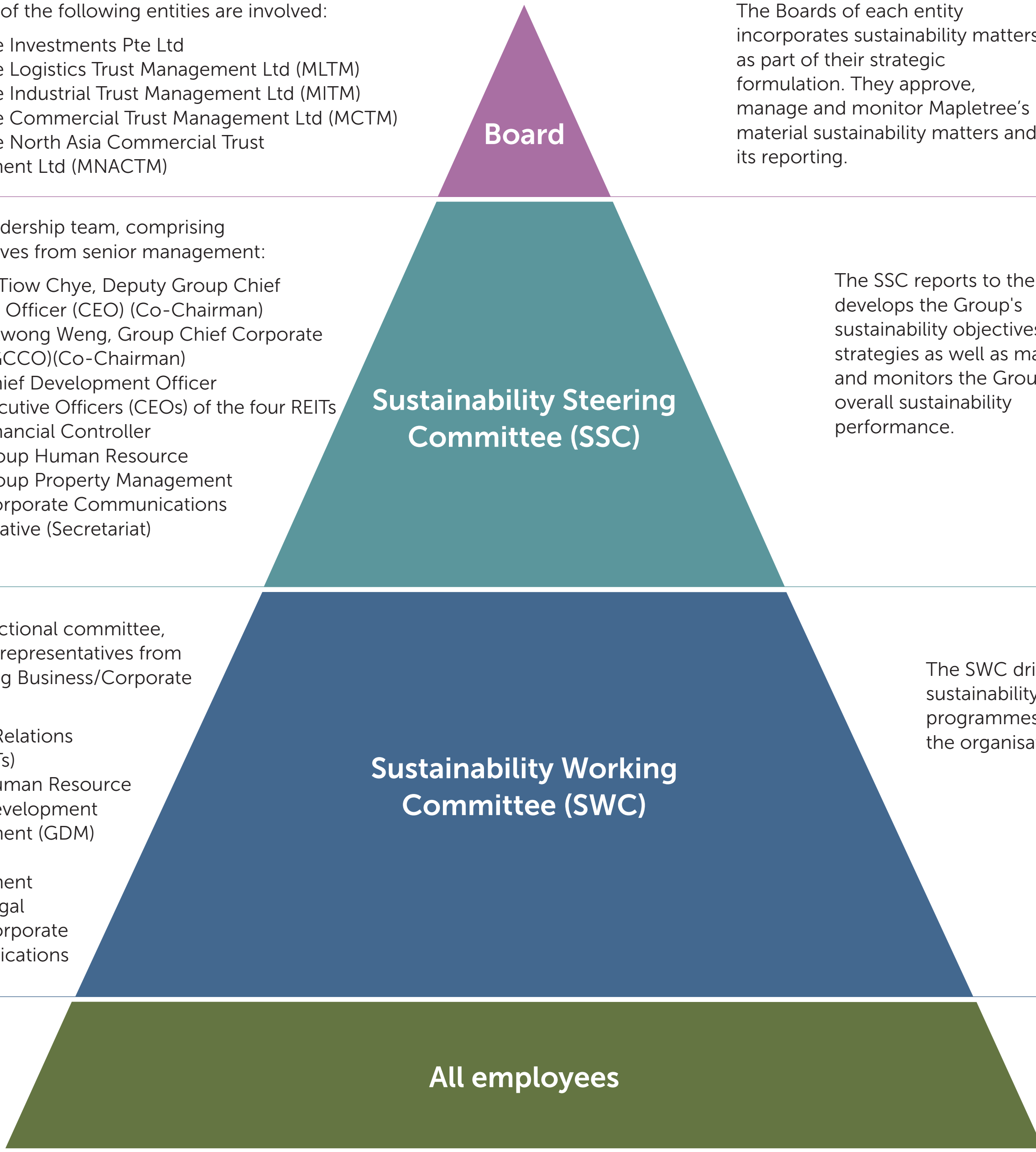
Sustainability governance

102-18 102-20 102-29 102-32

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

The Boards of the following entities are involved:

- Mapletree Investments Pte Ltd
- Mapletree Logistics Trust Management Ltd (MLTM)
- Mapletree Industrial Trust Management Ltd (MITM)
- Mapletree Commercial Trust Management Ltd (MCTM)
- Mapletree North Asia Commercial Trust Management Ltd (MNACTM)



The Boards of each entity incorporates sustainability matters as part of their strategic formulation. They approve, manage and monitor Mapletree's material sustainability matters and its reporting.

A strong leadership team, comprising representatives from senior management:

- Mr Chua Tiow Chye, Deputy Group Chief Executive Officer (CEO) (Co-Chairman)
- Mr Wan Kwong Weng, Group Chief Corporate Officer (GCCO)(Co-Chairman)
- Group Chief Development Officer
- Chief Executive Officers (CEOs) of the four REITs
- Group Financial Controller
- Head, Group Human Resource
- Head, Group Property Management
- Group Corporate Communications representative (Secretariat)

The SSC reports to the Board, develops the Group's sustainability objectives and strategies as well as manages and monitors the Group's overall sustainability performance.

A cross-functional committee, comprising representatives from the following Business/Corporate Units:

- Investor Relations (four REITs)
- Group Human Resource
- Group Development Management (GDM)
- Property Management
- Group Legal
- Group Corporate Communications

The SWC drives sustainability programmes across the organisation.

Our commitment to sustainability begins at the top with the oversight of the Group's Board of Directors and the Boards of the REIT Managers namely MLTM, MITM, MCTM and MNACTM.

The SSC continues to refine the Group's sustainability strategy, manage the overall sustainability performance, set targets as well as review management policies and practices regularly. The SSC is co-chaired by the Deputy Group CEO and GCCO and consists of the four CEOs of the REIT Managers as well as other members of Mapletree's senior management across various functions. Supporting the SSC, the SWC helps implement, execute and monitor the sustainability policies and practices.

SUSTAINABILITY REPORT

KNOWING THE MATTERS THAT AFFECT OUR STAKEHOLDERS MOST

Stakeholder engagement and materiality

102-46

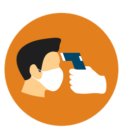
Understanding our stakeholders' concerns and identifying the sustainability topics that matter most to them is important to us. In FY16/17, we conducted a formal Group-wide materiality assessment where we identified, prioritised and validated a list of sustainability matters that are most relevant to Mapletree and of significant interest to key stakeholders[1].

Since then, we continue to assess the relevance of our material sustainability matters on an annual basis by drawing upon insights obtained from our day-to-day interactions as well as the evolving business environment. In FY19/20, our material sustainability matters remain unchanged.

Supporting our stakeholders during the Covid-19 pandemic

Since the last quarter of FY19/20, the world faced an unprecendented global outbreak of Covid-19, an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which has been declared a Public Health Emergency of International Concern by the World Health Organisation. Like the influenza virus, Covid-19 spreads primarily via respiratory droplets and its symptoms include fever, cough and shortness of breath.

Mapletree has been monitoring this rapidly evolving situation both locally and globally. We recognise the significant impact of Covid-19 on all our stakeholders and have worked closely with them to manage the situation. The following summarises our response to Covid-19.



Health and safety

The health and safety of our employees and all stakeholders at our properties remain our highest priority.

We work closely with the authorities to manage our approach and take the necessary precautionary measures calibrated in line with the escalating scenarios to minimise community transmission. These measures are progressively strengthened in line with the national risk assessment levels and regulations.

Refer to Page 110 for more information on our health and safety measures.

Tenant support

The severity of the disruptions on operations and value chains is unprecedented and may continue for an extended period of time.

Where possible, we provide targeted support and relief measures to our stakeholders.

Refer to Page 113 for more information on measures to support our tenants.

Community efforts

It is important that the communities in which Mapletree operates remain motivated and resilient in the concerted effort to fight against the pandemic.

We do what we can to support them, from corporate donations to distribution of masks and morale boosters.

Refer to Page 113 for more information on our community efforts.

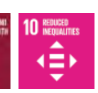
References: World Health Organisation and Ministry of Health, Singapore

ALIGNING OUR AMBITIONS WITH THE GREATER GLOBAL GOALS

Sustainability matters, targets and performance

102-12 102-47

The table below summarises our material sustainability matters, current and future targets[2], performance as well as how we contribute to the United Nations Sustainable Development Goals (SDGs).

Our material sustainability matters	Targets and performance for FY19/20		Targets for FY20/21 and beyond	Contribution to the SDGs
	Targets	Performance ✓ : met ✗ : not met		
Economic performance *Achieving sustainable economic growth and providing strong returns to our stakeholders.*	• Achieve sustainable economic growth in order to provide stable returns to our shareholders	✓	Achieve sustainable economic performance in Mapletree's third Five-Year Plan by FY23/24: <u>Returns</u> • Average ROIE[3]: 10% to 15% • Average ROE[4]: 10% to 15% <u>Earnings/Cash Flow</u> • Average Recurring PATMI[5]: S$900 million to S$1 billion • Recycled Proceeds[6,7]: >S$20 billion <u>Capital Management</u> • Fee Income[6]: >S$2.5 billion • Asset Under Management (AUM) Ratio: >3x • AUM: S$80 billion to S$90 billion More information on Mapletree's third Five-Year Plan can be found on Page 52.	
Talent retention *Providing a positive work environment for our employees through fair employment practices and equal opportunities.*	• Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits	✓	• Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits	 
	• Maintain a diverse and relevant learning and professional development programme	✓	• Maintain a diverse and relevant learning and professional development programme	
	• Hold employee town hall meetings once a year	✓	• Hold employee town hall meetings once a year	
Health and safety *Maintaining a safe environment for all our stakeholders and care for the well-being of our employees.*	• Zero incidences resulting in employee* permanent disability or fatality *scoped to Singapore staff only	✓	• Zero incidences resulting in employee* permanent disability or fatality *scoped to Singapore staff only	
	• Zero incidences resulting in fatalities* for third-party service providers (TPSPs) and tenants *fatality due to safety hazard within building (i.e. not suicide or self-inflicted)	✓	• Zero incidences resulting in fatalities* for third-party service providers (TPSPs) and tenants *fatality due to safety hazard within building (i.e. not suicide or self-inflicted)	

SUSTAINABILITY REPORT

Our material sustainability matters	FY19/20 Targets and Performance: Targets	Performance (✓ : met, ✗ : not met)	Targets for FY20/21 and beyond	Contribution to the SDGs
Local communities *Supporting initiatives and projects that have a positive impact on communities.*	• Encourage and provide seed funding for staff-led Corporate Social Responsibility (CSR) activities, awarding up to 15 teams in at least eight markets where Mapletree has business presence	✓	• Encourage and provide seed funding for staff-led CSR activities, awarding up to 16 teams in at least 10 markets where Mapletree has business presence	3 Good Health and Well-Being; 17 Partnerships for the Goals
Energy *Improving our energy performance and efficiency.*	• Reduce landlord energy consumption of all stabilised Singapore Investments[8] sites by 1% from FY18/19's baseline	✓	• Reduce landlord energy consumption of all stabilised Singapore Investments[8] sites by 1% from FY19/20's baseline • By 2030, we aim to reduce the landlord energy consumption for our stable assets by 30%*, with reference to the energy consumption levels in FY09/10	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 13 Climate Action
	• Maintain Building Construction Authority (BCA) Green Mark ratings and higher for all properties that are Green Mark rated	✓	• Maintain BCA Green Mark ratings and higher for all properties that are Green Mark rated	
Water *Managing our water resources in a sustainable manner.*	• Maintain landlord water consumption of all stabilised Singapore Investments[8] sites within FY18/19's baseline	✓	• Maintain landlord water consumption of all stabilised Singapore Investments[8] sites within FY18/19's baseline	9 Industry, Innovation and Infrastructure; 13 Climate Action
Anti-corruption *Conducting our work with utmost integrity and accountability.*	• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓	• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	17 Partnerships for the Goals
Compliance with laws and regulations *Achieving full regulatory compliance in everything we do.*	• Achieve no material incidences of non-compliance with relevant laws and/or regulations	✓	• Achieve no material incidences of non-compliance with relevant laws and/or regulations	17 Partnerships for the Goals

*In FY19/20, we have revised our 2030 target from the previous set target of 25% to reflect our continued commitment towards sustainability.

ECONOMIC PERFORMANCE 103-1 103-2 103-3

Why is this important to us?

Mapletree focuses on delivering value to its stakeholders through the well-executed key elements of its business model. This ensures a continued sustainable stream of income and high profitability. In executing a business strategy that combines the roles of real estate development, investment, capital and property management, Mapletree has generated consistent and good returns to its stakeholders, and established a track record for building award-winning development projects across various real estate classes.

Key policies

Group-wide

- Accounting Policy

Our targets

Current target		Future targets
FY19/20	**Performance**	**FY20/21**
• Achieve sustainable economic growth in order to provide stable returns to our shareholders	✓	• Achieve sustainable economic growth in order to provide stable returns to our shareholders
		FY23/24
		Achieve sustainable economic performance in Mapletree's third Five-Year Plan by FY23/24: Returns • Average ROIE[3]: 10% to 15% • Average ROE[4]: 10% to 15% Earnings/Cash Flow • Average Recurring PATMI[5]: S$900 million to S$1 billion • Recycled Proceeds[6,7]: >S$20 billion Capital Management • Fee Income[6]: >S$2.5 billion • AUM Ratio: >3x • AUM: S$80 billion to S$90 billion

Highlights during the year

EUR200m (~S$316.1m)
Sustainability-linked loan from OCBC Bank

21.6%
Average ROIE[3]

2.3x
AUM Ratio

S$752m
Average Recurring PATMI[5]

11.2%
Average ROE[4]

S$60.5b
AUM

S$5.7b
Recycled Proceeds[6,7]

S$518m
Fee Income[6]

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

DEVELOPING FOR SUCCESS, SUSTAINABLY

Sustainable finance

Sustainable finance generally refers to the process of integrating ESG criteria into financial services and business decision-making, resulting in activities that drive long-term economic growth.

During the year, Mapletree and its Singapore-listed REITs embarked on sustainable financing initiatives:

- In March 2020, Mapletree secured its first EUR200 million (~S$316.1 million) sustainability-linked loan based on its targets for key ESG initiatives towards green buildings, energy and water intensity reductions;
- In November 2019, MLT secured its first S$200 million sustainability-linked loan based on its renewable energy generation target. In the same month, MNACT secured a sustainability-linked loan of approximately S$174 million; and
- In October 2019, MCT secured its first S$670 million green club loan to part-finance the acquisition of Mapletree Business City II and the Common Premises.

SUSTAINABILITY REPORT

MAPLETREE'S INAUGURAL SUSTAINABILITY-LINKED LOAN

In March 2020, Mapletree Treasury Services Limited, a wholly-owned subsidiary of Mapletree, secured the inaugural sustainability-linked loan of EUR200 million (~S$316.1 million) from OCBC Bank, which also ranks as one of the largest sustainability-linked loans clinched by a Singapore real estate developer.

The sustainability-linked loan, which will be used for general working capital and corporate funding purposes, is designed to tie the facility with key ESG initiatives that Mapletree focuses on. If pre-set ESG targets are met, the interest rate on the facility will be subsequently reduced on a tiered basis. Mapletree will report the actual ESG performance on an annual basis.

Green building certifications

Base and stretch targets for energy and water intensity reductions

ENERGY 103-1 103-2 103-3

Why is this important to us?

The effects of climate change are far-reaching and pose adverse impacts on human health and civilisation. With the buildings and construction sector accounting for 36% of the world's final energy use and 39% of energy and process-related greenhouse gas (GHG) emissions[9] in 2019, Mapletree recognises the key role that it must play in enhancing energy efficiency, in order to reduce the overall GHG emissions.

Our targets

Current targets FY19/20	Performance	Future targets FY20/21
• Reduce landlord energy consumption of all stabilised Singapore Investments[8] sites by 1% from FY18/19's baseline	✓	• Reduce landlord energy consumption of all stabilised Singapore Investments[8] sites by 1% from FY19/20's baseline • By 2030, we aim to reduce the landlord energy consumption for our stable assets by 30%*, with reference to the energy consumption levels in FY09/10
• Maintain BCA Green Mark ratings and higher for all properties that are Green Mark rated	✓	• Maintain BCA Green Mark ratings and higher for all properties that are Green Mark rated.

Highlights during the year

- Optimised Air Conditioning and Mechanical Ventilation (ACMV) control settings for Singapore Investments[8] sites
- Reduced maximum variable speed drive (VSD) speed setting for the air handling units (AHU) at HarbourFront Centre (HFC) and HarbourFront Towers One and Two (HFT)
- Reduced condenser water pump VSD setting for HFC, HFT and PSA Vista (PSAV)
- Installed approximately 1,863 light-emitting diode (LED) lightings across HFC, HFT and PSAV

80.35 kWh/m²/yr
Total landlord electricity intensity in FY19/20

0.034 tonnes $CO_2e/m^2/yr$
Total energy indirect (Scope 2) GHG emissions intensity in FY19/20

↓2.6%
Decrease in landlord electricity intensity from FY18/19

↓406 tonnes CO_2e
Decrease in energy indirect (Scope 2) GHG emissions from FY18/19

Contribution to SDGs

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

*In FY19/20, we have revised our 2030 target from the previous set target of 25% to reflect our continued commitment towards sustainability.

EMPOWERING SUSTAINABLE GROWTH

The Group's main source of energy consumption[10] comprises purchased electricity for our business operations – property management and operations, lighting, air-conditioning and elevators. As the electricity generated for use at Mapletree properties were from external utility providers, these emissions are classified as our Scope 2 (indirect) GHG emissions.

Energy and emissions performance

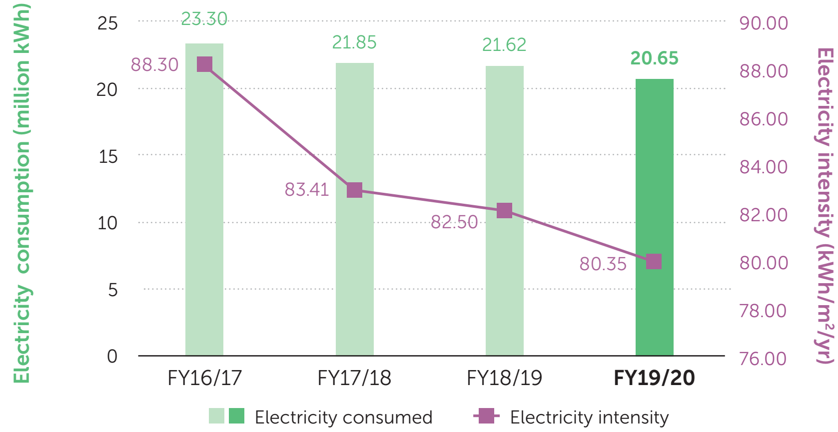
302-1 302-3 305-2 305-4 CRE1 CRE3

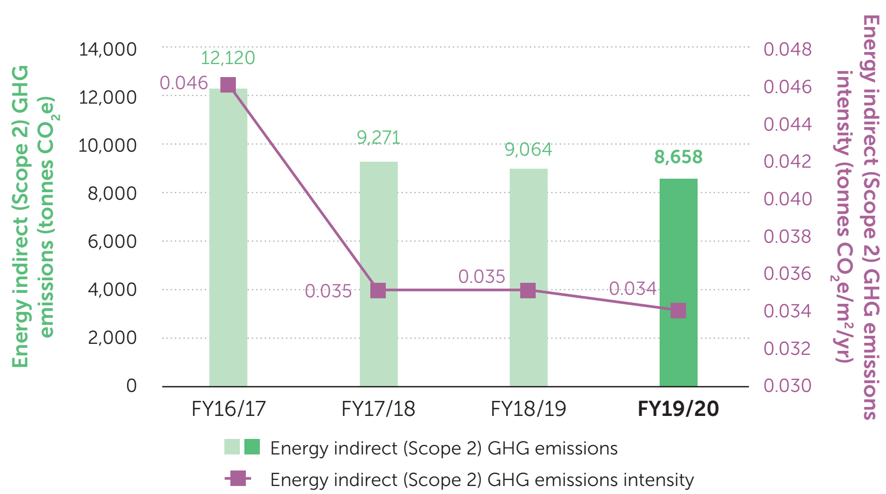
The total landlord electricity consumption of the four stable properties decreased by approximately 4.5% from 21.62 million kWh in FY18/19 to 20.65 million kWh in FY19/20. The electricity intensity decreased by 2.6% from 82.50 kWh/m²/yr in FY18/19 to 80.35 kWh/m²/yr in FY19/20. Likewise, these translate to a corresponding decrease in our energy indirect (Scope 2) GHG emissions by 4.5% from 9,064 tonnes CO_2e in FY18/19 to 8,658 tonnes CO_2e in FY19/20. These results are in line with our collective efforts for energy reduction.

Energy-saving initiatives

Mapletree acknowledges that there are significant benefits and cost savings that arise from a reduction in energy usage and by improving energy efficiency. The Group continually seeks opportunities to enhance energy efficiency through measures such as:

- Review and optimise ACMV systems control logic and setpoints
- Review and optimise condenser water pump controls logic and setpoints
- Usage of energy efficient LED lightings at common areas





Electricity consumption and energy indirect (Scope 2) GHG emissions*

	FY16/17	FY17/18	FY18/19	**FY19/20**
Total electricity purchased for consumption (million kWh)	23.30	21.85	21.62	**20.65**
Total electricity intensity (kWh/m²/yr)	88.30	83.41	82.50	**80.35**
Total energy indirect (Scope 2) GHG emissions (tonnes CO_2e)	12,120	9,271	9,064	**8,658**
Total energy indirect (Scope 2) GHG emissions intensity (tonnes $CO_2e/m^2/yr$)	0.046	0.035	0.035	**0.034**

* Data relates to the four stable properties in Singapore – (i) HFC, (ii) HFT, (iii) PSAV, (iv) Tanjong Pagar Distripark (TPD)
Refer to Page 118 for methodology and definitions.

SUSTAINABILITY REPORT

OPTIMISING OUR AIR CONDITIONING AND MECHANICAL VENTILATION (ACMV) SYSTEMS

In 2020, a review by the National Environment Agency Meteorological Service Singapore reported that 2019 was Singapore's joint warmest year on record, with an annual mean temperature of 28.4°C, 0.9°C higher than the 1981 to 2010 long-term average. These trends agree with the World Meteorological Organisation's Statement on the State of the Global Climate which confirms that 2019 was the second warmest year on record globally.

A warmer climate leads to increasing energy demands for our ACMV systems, which operate throughout the year to maintain thermal comfort at our buildings. As ACMV systems contribute approximately 60% of the total energy consumption of a building, we have identified this as a key area for us to minimise that feedback loop and reduce our impact on the environment.

In order to optimise our ACMV operations, the first initiative included establishing a set of operational standards across our properties. Technical staff at each site reviewed their operational settings against the established standards and made necessary adjustments.

The other initiative focused on lowering the maximum speed of all our AHU's VSDs, which helped to prevent energy wastage during the morning business operation start-up period. As multiple chillers are required to operate to support the building's cooling load, we reviewed the chiller staging sequencing and identified opportunities to revise the setting parameters in order to shut down the chillers earlier when the load decreases near the end of business hours.

WATER 103-1 103-2 103-3

Why is this important to us?

Freshwater has become an increasingly limited resource globally as a result of socioeconomic development and climate change. Over 2 billion people live in countries experiencing high water stress and 4 billion people face water scarcity at least one month of the year[11]. At Mapletree, we recognise the importance of prudent management of this resource, and do our utmost in working with stakeholders to reduce water consumption and improve the efficiency of water use. Where possible, Mapletree uses renewed or reclaimed water at our properties as part of our water-saving initiatives.

Our targets

Current target		Future target
FY19/20	**Performance**	**FY20/21**
• Maintain landlord water consumption of all stabilised Singapore Investments[8] sites within FY18/19's baseline	✓	• Maintain landlord water consumption of all stabilised Singapore Investments[8] sites within FY18/19's baseline

Highlights during the year

- TPD was awarded the PUB Water Efficient Building (Basic) Certification
- Maintained cooling towers' Cycle of Concentration (COC) to ≥ 7 to minimise make-up water consumption

220,137m³
Total landlord water withdrawal in FY19/20

↓7.2%
Decrease in landlord water withdrawal from FY18/19

↑17.3%
Increase in NEWater from FY18/19

Contribution to SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

EVERY ACTION A RIPPLE FOR SUSTAINABLE DEVELOPMENT

Interactions with water

303-1 303-2

Water at Mapletree's properties in Singapore is mainly provided by the Public Utilities Board (PUB), whose water supply comprises the "Four National Taps" – water from local catchments, imported water, highly purified reclaimed water known as NEWater and desalinated water.

Water is essential to our business operations – particularly in regulating the building temperature and keeping our buildings cool for occupants and all stakeholders. For most buildings, the air-conditioning systems rely on evaporative cooling towers that eject heat from the building through evaporation of water. As our make-up water needs for cooling towers is approximately 40% to 50% of the total building water usage, we have identified this as a significant area for us to minimise our water-related impacts.

From a value chain perspective, we also work closely with our tenants to steward water as a shared resource, and regularly engage them on managing their water-related impacts. For instance, promoting water conservation at the restrooms/ pantries and especially when they perform fit-out works, addition and alteration works. Guidelines on the use of PUB Water Efficiency Labelling Scheme (WELS) sanitary fittings for tenant's fit-out work are also provided in the Fit-out Manual.

All effluents are discharged in line with regulatory requirements.

Water performance

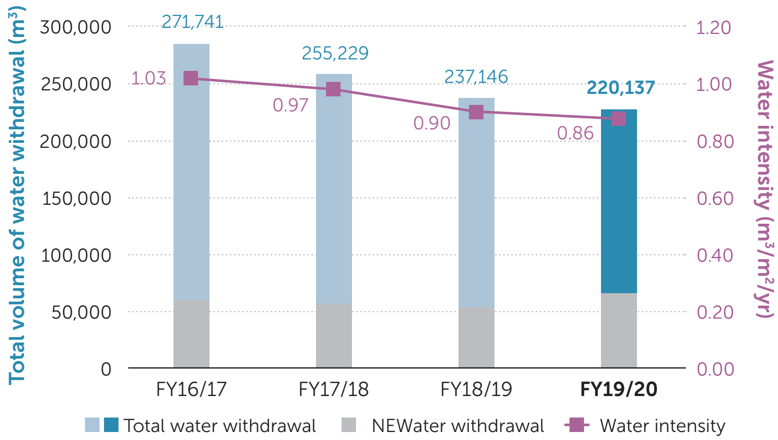
303-3 CRE2

The total landlord water withdrawal of the four stable properties decreased by 7.2% from 237,146m³ in FY18/19 to 220,137m³ in FY19/20, out of which comprises 64,380m³ of NEWater used at HFC. The water intensity of the four stable sites decreased from 0.90m³/m²/yr in FY18/19 to 0.86m³/m²/yr.

Water-saving initiatives

Water-saving measures are established through the design, development and operation processes and include:

- Use of NEWater for cooling towers and other means where possible and practical
- Maintaining cooling towers' COC to ≥ 7 to minimise make-up water consumption
- Temporary bypass of water treatment system during monthly maintenance to prevent unnecessary water discharge and waste
- Raising of water conductivity set point to minimise water discharge
- Maintaining all building system operations' schedules and settings
- Ensuring building systems' maintenance is carried out effectively to prolong equipment efficiency
- Daily tracking and reporting of irrigation water meter readings to detect leakages
- Skipping two days of irrigation after each day of rainfall
- Use of PUB's WELS sanitary fittings and accessories for toilets
- Standing orders for timely reporting of any faulty sanitary fittings
- Training conducted for security and cleaning staff on location of main water valves and procedures for stopping water leakages
- Installation of locks on select bib taps for controlled usage



Water withdrawal*

	FY16/17	FY17/18	FY18/19	**FY19/20**
Total volume of water withdrawal (m³)	271,741	255,229	237,146	**220,137**
Water (m³)	212,747	198,739	182,262	**155,757**
NEWater (m³)	58,994	56,490	54,884	**64,380**
Total water intensity (m³/m²/yr)	1.03	0.97	0.90	**0.86**

* Data relates to the four stable properties in Singapore – (i) HFC, (ii) HFT, (iii) PSAV, (iv) TPD
Refer to Page 118 for methodology and definitions.

EXCELLENCE IN ENVIRONMENTAL RESPONSIBILITY

Promoting sustainable waste management practices

We are committed towards prudent waste management at our properties. Wherever possible, we encourage our tenants and visitors to prioritise sustainable methods of waste disposal such as recycling. Recycling bins are readily assessible at prominent and high traffic areas throughout our properties. In FY19/20, we collected 3,172 tonnes of waste at our four stable properties, of which 193 tonnes was recycled.

St James Power Station received the BCA Green Mark Platinum award in FY19/20.

SUSTAINABILITY REPORT

Waste collection and recycling*

	FY18/19^	FY19/20
Total waste collected (tonnes)	3,035	**3,172**
Total waste collected (tonnes)	172	**193**
Total recycling rate (%)@	5.7	**6.1**

* Data relates to the four stable properties in Singapore – (i) HFC, (ii) HFT, (iii) PSAV, (iv) TPD
^ FY18/19 figures were restated based on more accurate data obtained for PSAV
@ Recycling rate is derived by taking total waste recycled divided by total waste collected

Greening buildings and building green

CRE8

Mapletree is committed to building and investing in properties with innovative and functional concepts. These include integrating sustainability into architectural design, building details, and construction as well as maintenance activities. In Singapore, we continue to support the BCA's Green Building Masterplan to shape a safe, high quality, sustainable and friendly built environment. Over the years, the Group has obtained many Green Mark Awards by BCA and the Leadership in Energy and Environmental Design (LEED) by US Green Building Council certifications which demonstrate our best-in-class building strategies and practices.

BCA Green Mark Awards

Property	Platform	Award
1 and 1A Depot Close	MIT	Platinum
HarbourFront Centre	Mapletree	Platinum
Mapletree Anson	MCT	Platinum
Mapletree Benoi Logistics Hub	MLT	Platinum
Mapletree Business City I	MCT	Platinum
Mapletree Business City II	MCT	Platinum
Mapletree Business City II	MCT	Platinum (Universal Design Mark)
St James Power Station	Mapletree	Platinum
VivoCity	MCT	Platinum
26A Ayer Rajah Crescent	MIT	Platinum
Bank of America Merrill Lynch HarbourFront	MCT	Gold PLUS
HF3 Residential Site	Mapletree	Gold PLUS
PSA Building	MCT	Gold PLUS
The Strategy	MIT	Gold PLUS
18 Tai Seng	MIT	Gold
30A Kallang Place	MIT	Gold
978 & 988 Toa Payoh North	MIT	Gold
HarbourFront Towers One and Two	Mapletree	Gold
K&S Corporate Headquarters	MIT	Gold
Mapletree Logistics Hub – Toh Guan	MLT	Gold
The Signature	MIT	Gold

LEED Certifications

Property	Platform	Award
Singapore		
26A Ayer Rajah Crescent	MIT	LEED Gold
Mapletree Business City II	Mapletree	LEED BD+C 2018: Core and Shell Gold Level
Hong Kong SAR		
Mapletree Logistics Hub Tsing Yi	MLT	LEED Gold
India		
Global Technology Park Phase 1	Mapletree	LEED Gold
Global Technology Park Phase 2	Mapletree	LEED Gold

BREEAM Certifications

Property	Platform	Award
Poland		
West Station II	Mapletree	BREEAM Certification 2019 (Excellent)

TALENT RETENTION 103-1 103-2 103-3

Why is this important to us?

We firmly believe that a successful company is the result of its employees. As an employer, it is important to provide an enabling work environment for employees to excel in. Fair employment practices remain high on our list of sustainability priorities. Mapletree aims to continue attracting, developing and retaining our employees while helping every individual maximise their potentials and continue to create value through the things that they do.

Key policies

Group-wide

- Compensation, Benefits and Leave Policy
- Learning and Development Policy
- Performance Management Policy
- Resourcing and Employment Policy
- Safety and Health Policy
- Talent Management Policy
- Overseas Business Travel and International Assignment Policy

Our targets

Current targets		Future targets
FY19/20	**Performance**	**FY20/21**
• Fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits	✓	• Fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits
• Maintain diverse and relevant learning and professional development programmes	✓	• Maintain diverse and relevant learning and professional development programmes
• Hold employee town hall meetings at least once a year	✓	• Hold employee town hall meetings at least once a year

Highlights during the year

- Wellness@Mapletree: An initiative with programmes to promote a healthy and active lifestyle
- Mapletree Learning Fiesta 2019: Workshops to embrace change in a digital world and emerging technologies
- Mapletree Recreational Club Programmes: Movie event, Durian fiesta etc.

1,015
Full-time, permanent employees[13] in FY19/20
↑ 4.6% from FY18/19

59%
Female employees in FY19/20

1%
Average turnover rate in FY19/20

100%
Employees who have received regular performance and career development reviews in FY19/20

406
Training programmes attended by employees in FY19/20

>200
Employees participated in Mapletree's Learning Fiesta 2019

Contribution to SDGs

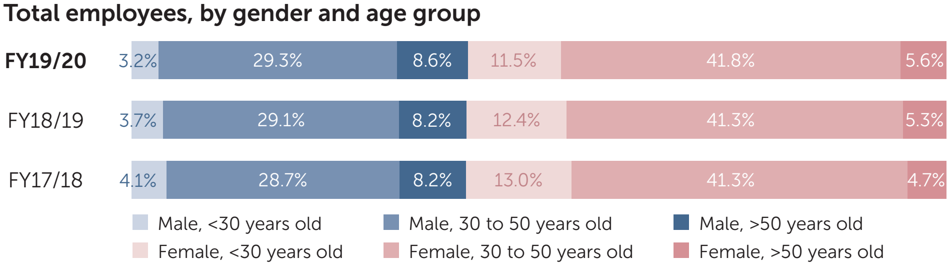
OUR PEOPLE ARE THE ROOTS OF MAPLETREE

Profile of our workforce[12]

102-8

Our diverse talent pool continues to grow in FY19/20, comprising an average of 1,015 employees[13] who are employed on a full-time, permanent basis. This is an increase of 4.6% from FY18/19's headcount. The distribution by gender and age group remained consistent with prior years.

Total employees, by gender and age group



	Male	Female	Total
FY19/20	**417** (41%)	**598** (59%)	**1,015** (100%)
FY18/19	398 (41%)	572 (59%)	970 (100%)
FY17/18	374 (41%)	538 (59%)	912 (100%)

SUSTAINABILITY REPORT

NURTURING OUR PEOPLE WITH THE RIGHT ENVIRONMENT

New hires and turnover

401-1

Mapletree's human resource strategies help foster a progressive workplace – one where every employee feels valued, respected and empowered. Our workforce remained stable in FY19/20, with a new hire rate and turnover rate of 1% each. Our turnover rate is below Singapore's 2019 real estate services industry labour turnover rate of 2.5%[14]. We recognise the importance of employee retention, in particular, how continuity builds momentum of our corporate pulse to provide a competitive edge to propel the company forward.

PROVIDING THE RIGHT SUPPORT TO GROW, TOGETHER

Talent development and management

404-2

The Group places emphasis on upskilling our employees by enhancing their competencies, building motivation and self-efficacy, which in turn lead to growth and success in the business. In FY19/20, 406 training programmes were provided, garnering more than 4,790 counts of participation. These programmes, which span across all functions – ranging from hard skills such as financial analysis to soft skills such as critical thinking – seek to equip employees with the right future-ready competencies required. Hence, with the plethora of courses available, we have achieved our target of maintaining a diverse and relevant learning and professional development programme for employees.

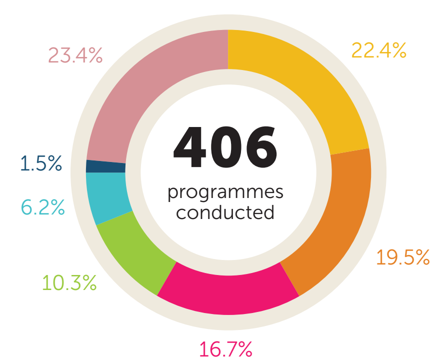
In addition, Mapletree continually identifies and grooms talents within the organisation, who will be provided with further training to enhance their career progression.

Overall new hires and turnover rate

	FY17/18	FY18/19	**FY19/20**
New hires rate	1%	2%	**1%**
Turnover rate	1%	1%	**1%**

Refer to Page 118 for methodology and definitions.

Breakdown of training programmes in FY19/20, by categories (%)



Training Categories	No. of Programmes	No. of Participants	Examples of Programmes
Finance	91	1,203	• Business Analytics and Reporting • Financial Analysis and Assessment for Non-Finance Personnel • Ethical Issues for Accountants: Reducing Potential Ethical Breaches
Building and Safety	79	628	• Company Emergency Response Team (CERT) Training • Zero Waste Living and Working
Information and Technology	68	1,783	• IT Security Awareness
Real Estate	42	314	• The Investor Journey: Asset of the Future • Mapletree Investments 101 • Market Updates
Personal Effectiveness	25	196	• Critical Thinking for Situational Analysis and Peak Performance • Sun Zi's Art of War for Negotiations
Business Continuity	6	47	• Crisis Communications and Media Management
Others	95	628	• Functional training (e.g. Legal, Project Management, Risk Management, Human Resources, etc.)

MAPLETREE'S LEARNING FIESTA 2019

More than 200 employees participated in various workshops during Mapletree's Learning Fiesta on 16 and 17 July 2019 where they learnt more about embracing change in a digital world as well as how they can integrate new and emerging technologies in their personal and work lives.

Mapletree partnered the Infocomm Media Development Authority to bring "Lab on Wheels" to employees. Activities were conducted within two buses – the first provided a glimpse into how virtual reality and augmented reality can impact the way we learn, live and play while the second is Singapore's first artificial intelligence (AI)-themed bus that allowed participants to learn about AI concepts through solving a series of challenges.

In addition, external companies were invited to share their digitalisation efforts and experience acquired over the years. Employees had the opportunity to participate in motivational workshops such as "Think on your Feet" and "Discover your Winds of Change profile", where they learnt how to structure ideas simply and persuasively, as well as discover how to be more agile and adaptive in the workshops respectively.

Career development

404-3

The e-Performance Appraisal system, a performance appraisal system deployed Group-wide electronically, provides us with the platform to enable deeper, more meaningful career development conversations with all our employees. The system aligns evaluation practices across countries, effectively tracks key performance indicators and measures our employees' personal achievements.

Annually, all our employees are assessed against a core competencies framework. Thereafter, performance feedback is provided based on targets in four key areas – domain knowledge, business networks and innovation, collaboration and communications as well as operational excellence.

Employee engagement

We strive to ensure that every employee's voice is heard and that the company has support channels in place for employees to provide valuable feedback and raise their grievances should they arise. In addition, our upcoming Employee Engagement Survey is scheduled to be conducted by the end of year 2020 to focus on what is relevant and important to employees.

	FY17/18	FY18/19	**FY19/20**
Employees receiving regular performance and career development reviews	100%	100%	**100%**

SUSTAINABILITY REPORT

HEALTH AND SAFETY 103-1 103-2 103-3

Why is this important to us?

Safeguarding the health and safety of employees and all stakeholders at our properties remains our top priority. We believe that maintaining a healthy and safe working environment for employees and all stakeholders at our properties would lead to greater morale, efficiency and increases confidence in Mapletree.

Key policies

Group-wide

- Safety and Health Policy

Our targets

Current targets		Future targets
FY19/20	**Performance**	**FY20/21**
• Zero incidences resulting in employee* permanent disability or fatality *scoped to Singapore staff only	✓	• Zero incidences resulting in employee* permanent disability or fatality *scoped to Singapore staff only
• Zero incidences resulting in fatalities* for TPSPs & tenants *fatality due to safety hazard within building (i.e. not suicide or self-inflicted)	✓	• Zero incidences resulting in fatalities* for TPSPs & tenants *fatality due to safety hazard within building (i.e. not suicide or self-inflicted)

Highlights during the year

- Wellness@Mapletree: Programmes to promote a healthy and active lifestyle
- Happiness@Mapletree: Campaign to raise awareness on gratitude, thankfulness and kindness
- Precautionary measures taken in light of Covid-19
- Safety-related training programmes
- Biannual fire drill

492
Employees participated in safety-related training programmes in FY19/20

1
Total number of recordable work-related injuries in FY19/20

0
Total number of all work-related fatalities in FY19/20

0.45
Total recordable work-related injury rate in FY19/20
↓ 86% from FY18/19

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING

BUILDING A PLACE WHERE EMPLOYEES CAN CALL HOME

Promoting employee well-being

403-6

Mapletree aims to provide a work environment that is not only safe for employees, but contributes to their health and general well-being. We do so by offering various voluntary health and well-being programmes. These include a free on-site health screening exercise for employees (with optional additional health packages) annually as well as programmes under Wellness@Mapletree which promotes a healthy and active lifestyle. Employment benefits such as insurance and medical benefits are regularly reviewed to ensure that they are updated and relevant to employees' needs.

HAPPINESS@MAPLETREE

In FY19/20, we introduced Happiness@Mapletree, a campaign designed to raise awareness on how the pursuit of gratitude and kindness would lead to happiness, thereby improving one's mental well-being.

A Happiness@Mapletree event was organised on 31 January 2020 to kickstart the campaign, with different activities and workshops conducted by certified psychologists to help employees put these concepts into practice. To further reinforce the campaign's message, online articles on related topics and gratitude posters were shared and placed around Mapletree offices to encourage employees to give thanks to each other.

PREVENTION IS BETTER THAN CURE

Hazard identification and risk assessment

403-2 403-7

We adopt a risk-based approach to prevent and mitigate potential health and safety impacts that are linked to our operations by way of business relationships with stakeholders such as tenants and TPSPs. For instance, all tenants are provided with a Fit-out Manual, which includes clauses on safety rules and guidelines that they must adhere to.

Health and safety are also included as part of our screening criteria and process before engaging TPSPs. Subcontracted works such as construction are only awarded to qualified and competent TPSPs via a risk assessment scheme. The assessment includes, but is not limited to, safety tracking records, ISO and OHSAS certifications. Due diligence and other safety measures are initiated as early as possible by Mapletree's GDM department whenever a new TPSP is pre-qualified and engaged.

Our standard contract terms determine the safety accountabilities expected of our main contractors. For instance, main contractors are required to comply with all prevailing laws and regulations. They are also required to provide protective apparel and safety devices. Prior to the commencement of a new project, they are required to submit a Risk Management Plan for review.

In addition, onsite safety audits are conducted on a regular basis to ensure compliance.

EVERY LIFE MATTERS AT MAPLETREE

Occupational health and safety (OHS) performance

403-5 403-9

Our Employee Handbook sets out the Group-wide Safety and Health Policy which guides all employees on safe work practices, emergency response and timely reporting of accidents and hazardous situations.

The Group invests in building a culture focused on safety by equipping employees with the necessary knowledge, skills and capabilities. In FY19/20, over 400 employees participated in safety-related training programmes such as Company Emergency Response Team (CERT) First Aid, Fire Safety, Managing Bomb Threats, Managing Work at Heights, Building Maintenance Management, etc.

Our incident reporting protocol allows timely investigation and prudent incident management in the event of incidents at any of Mapletree's premises and sites. We are pleased to report that there were zero fatalities and zero high-consequence work-related injuries among employees during FY19/20.

There was, however, a case where our security employee at a shopping mall suffered a minor injury during the process of detaining an agitated visitor in accordance with our security's standard operating procedures. Our employee has since recovered from the injury.

Emergency preparedness and response

403-7

As part of Mapletree's OHS system, emergency response procedures are in place and these are regularly communicated to all relevant stakeholders, taking into account their needs, capabilities and involvement in carrying out the response. Selected Mapletree employees undergo specific training such as first-aid and fire-fighting. Our biannual fire drill exercise involves stakeholders such as employees, tenants and other visitors at our properties.

Work-related injuries* for employees

	FY18/19	**FY19/20**
Number (and rate*) of fatalities as a result of work-related injuries	0 (0.00)	**0 (0.00)**
Number (and rate*) of high-consequence work-related injuries (excluding fatalities)	1 (0.46)	**0 (0.00)**
Number (and rate*) of recordable work-related injuries	7 (3.22)	**1 (0.45)**

*Rates expressed per million man-hours worked.
Refer to Page 118 for methodology and definitions.

SUSTAINABILITY REPORT

SAFEGUARDING THE HEALTH AND SAFETY OF OUR STAKEHOLDERS AMID COVID-19

Since the outbreak of the virus, we have worked closely with the authorities and undertook all necessary precautionary measures aligned with escalating scenarios to minimise community transmission. These measures are progressively strengthened in line with the national risk assessment levels and regulations such as Singapore's Covid-19 (Temporary Measures) Act.

Some of the measures implemented are as follows:

<u>For employees:</u>
- Maintained close communications, providing health advisories and updates on the situation
- Implemented split team arrangements and safe distancing for all employees at various work locations
- Full work from home arrangements for all Singapore employees upon the implementation of "circuit breaker" measures
- Complied with all national measures for affected employees who were issued with a Leave of Absence or Stay-Home Notice
- Safe distancing measures in office meeting rooms, pantries and common areas
- Supported efforts in contact tracing
- Increased frequency of cleaning and disinfection activities, and deep-cleaning of areas when suspected cases were reported at Mapletree's premises
- Provided personal protective equipment (PPE) such as masks, gloves and gowns for frontline employees

<u>For tenants and visitors:</u>
- Increased frequency of cleaning and disinfection activities, and deep-cleaning of areas when suspected cases were reported at Mapletree's premises
- Implemented contact tracing efforts at all entrances to our properties
- Increased availability of hand sanitisers within properties
- Enforced safe distancing in the form of tape markings which were put up at relevant common areas
- Maintained close communications with all tenants, providing health advisories, mitigation measures and cooperation
- Posters and regular announcements in place to enhance awareness of visitors to practise good hygiene, safe distancing and wearing of masks

LOCAL COMMUNITIES 103-1 103-2 103-3

Why is this important to us?

At Mapletree, we incorporate sustainable practices and endeavour to generate positive outcomes in the communities where we operate. The Group is committed to long-term partnerships with stakeholders and beneficiaries with sustained impact.

Key policies

Group-wide

- Mapletree Corporate Social Responsibility Framework

Our targets

Current target		Future target
FY19/20	**Performance**	**FY20/21**
• Encourage and provide seed funding for staff-led CSR activities, awarding up to 15 teams in at least eight markets where Mapletree has business presence	✓	• Encourage and provide seed funding for staff-led CSR activities, awarding up to 16 teams in at least 10 markets where Mapletree has business presence

Highlights during the year

- **Arts:** School of the Arts (SOTA) Primary 6 Art Competition; Sponsor for The TENG Ensemble and Mapletree-TENG Academy Scholarship, etc.
- **Environment:** Hosted the "Singapore Birds on the Brink" photo exhibition at VivoCity, Singapore and 35th Singapore Bird Race at MBC; Funded research project by the National University of Singapore (NUS) Department of Mechanical Engineering on plastic waste, etc.
- **Healthcare:** Supported under-privileged communities in Nanhai, China.
- **Education:** Mapletree Real Estate Programme at the Singapore Management University (SMU); The Mapletree Challenge/The Mapletree Innovation & Entrepreneurship Forum with the Singapore Institute of Technology (SIT), etc.

S$6.1m
Committed and disbursed to CSR causes in FY19/20

S$75,000
Seed funding provided to 15 teams in Mapletree's Staff CSR Programme for FY19/20

9
Markets covered for staff-led CSR activities

Contribution to SDGs

3 GOOD HEALTH AND WELL-BEING
17 PARTNERSHIPS FOR THE GOALS

EMPOWERING INDIVIDUALS, ENRICHING COMMUNITIES

Our CSR framework

413-1

Mapletree's Group-wide CSR framework is guided by two broad objectives of empowering individuals through supporting educational and healthcare initiatives, as well as enriching communities with the arts, functional design, and building environmentally sustainable real estate developments.

Our CSR efforts focus on four key pillars – the arts, environment, education and healthcare. All initiatives are based on definable social outcomes, long-term engagement and staff volunteerism opportunities.

Our CSR commitment is closely aligned to the Group's business performance. For every S$500 million of PATMI[5], or part thereof, S$1 million is set aside annually to fund CSR programmes. A dedicated five-member CSR Board Committee provides strategic oversight of the Group's CSR efforts. The CSR Board Committee comprises Mapletree's Chairman and senior management as well as two Board representatives from the REITs or private platforms/private funds (rotated on a three-year basis).

SUSTAINABILITY REPORT

MAPLETREE YOUTH RESILIENCE PROGRAMME

Mapletree has been a strong supporter for at-risk youths since 2012. The Group piloted the Mapletree Youth Resilience Programme (MYRP) in 2016, which aims to provide long-term financial aid to youths with the potential and drive to pursue an education despite their disadvantaged backgrounds.

Under the pilot, five youths from Boys' Town and YouthReach were identified to receive a one-year sponsorship that was channelled to their education needs. As a result of showing academic commitment and better self-discipline, support has been extended annually for the youths.

To date, Mapletree has provided more than S$138,000 in financial support for at-risk youths through MYRP. Since 2016, we have expanded support from five to 12 youths from Beyond Social Services, Boys' Town and YouthReach.

To continue supporting youths on their education journey, Mapletree has committed S$75,000 to continue MYRP funding for 12 youths and to expand the programme to include up to another five youths from other beneficiaries.

SUPPORTING THE AUSTRALIAN BUSHFIRE RELIEF EFFORTS

Over the course of FY19/20, months of severe drought and extreme temperatures fuelled a series of massive bushfires across Australia.

Mapletree committed A$100,000 (~S$90,588) in aid of the Australian bushfire relief efforts via the Australian Red Cross.

Funds donated will be used for the following:
- Assistance grants to support people whose homes were destroyed
- Mid- to long-term recovery to provide support for bushfire assistance and community recovery for three years or more

SUPPORTING OUR STAKEHOLDERS AND COMMUNITIES AMID COVID-19

Global

Coupled with the rise in confirmed Covid-19 cases globally, Mapletree contributed via the distribution of disposable masks to select countries in which the Group operates in, to help alleviate the mask shortage situation. To that end, we have distributed over 2 million masks to more than 30 beneficiaries. These markets include Singapore, Australia, Hong Kong SAR, India, Malaysia, the Netherlands, the United States (US) and the United Kingdom (UK).

Singapore

Between 12 February and 11 March 2020, the Group sent more than 6,300 bento boxes of food to the National University Hospital, Tan Tock Seng Hospital and Geylang Polyclinic to boost the morale of doctors, nurses, ambulance drivers, cleaners and administrators.

As part of the Group's CSR initiative to help the employees of our tenants and service providers who were placed on no-pay leave due to Covid-19, the Group launched the Mapletree Community Sharing Fund in April 2020. The fund combined the Solidarity Payments from more than 100 Mapletree management and staff in Singapore on a voluntary basis. Many have contributed over and above the Solidarity Payment received by them and their households, raising over S$85,000 for the fund.

At the close of application, more than 230 applicants who are employees of our tenants and service providers at MBC, Alexandra Retail Centre (ARC), VivoCity, Singapore as well as retail tenants at HarbourFront Centre (HFC), HarbourFront Tower (HFT) and 18 Tai Seng applied for the grant. Successful applicants received a one-off cash grant of S$200 in May 2020.

For a period of two months beginning May 2020, Mapletree launched a new digital series, "Mapletree Arts in the City on Air", to liven up the "circuit breaker" period in Singapore and to pay tribute to the efforts of frontline workers. A variety of performances ranging from music to dance were released for audiences to enjoy every Thursday and Saturday.

The new series is an extension of Mapletree Arts in the City, which has been providing an offline platform for local arts and performing groups since 2013.

China

In response to Singapore's Ministry of Foreign Affairs' request for corporate support, Mapletree made a donation via the Singapore Red Cross of RMB$1 million (~S$200,000) towards Covid-19 relief efforts in China.

Funds donated will be used for the following:
- Procure and distribute essential PPE
- Medical equipping for hospitals in Hubei Province
- Distribute hygiene items and communicate health messages to social welfare homes
- Support other areas of intervention such as risk communication, community engagement, health and Water, Sanitation & Hygiene (WASH) promotion

SUSTAINABILITY REPORT

Key programmes during the year

In FY19/20, we continued to make headway in our CSR programmes, building on our existing partnerships and forging new ones.

ARTS

Mapletree Arts in the City: Committed S$40,000 annually to stage quarterly performances (since 2013)

Arts in Your Neighbourhood: Venue sponsorship for biannual performances at MBC (since 2014)

SOTA Primary 6 Art Competition: Sponsorship of S$24,000 for the competition to raise awareness and promote visual arts, as well as identify and acknowledge young talents (2019-2020)

Artists as Citizens – Conversation with Yinka Shonibare CBE, RA: Part of the Mapletree-Public Art Education Programme to explore broader cultural and artistic developments (since 2018)

Sing Lit Station's Cloud Printer: One-year venue sponsorship for a standing printer at MBC and ARC, capable of generating excerpts of Singaporean Literature (SingLit) on-demand (2019)

Epigram Books Fiction Prize: Sponsorship of S$8,000 to promote contemporary creative writing and rewards excellence in literature (since 2017)

The TENG Ensemble: Sponsorship of S$180,000 for 2020 will be used to fund performances at VivoCity, Singapore; Six Mapletree-TENG Academy Scholarships for a period of two years; Solo Recital Concert by Mapletree-TENG Scholar (since 2018)

Mapletree-Nanyang Technological University Centre for Contemporary Art Singapore Public Art Education Programme: Features a series of public art installations, as well as develop and establish art education programmes at MBC (since 2017)

Singapore Art Museum: Donation of S$2.5 million for a named space and a series of innovative educational programmes at the refurbished Museum (2020)

EDUCATION

Endowed Mapletree bursaries at all six universities[15]: NUS (2012), NTU (2012), SMU (2013), SUTD (2013), SIT (2014) and SUSS (2016)

Mapletree Academic Achievement Programme (MAAP): Renewal and expansion of support under MAAP as a five-year sponsorship of S$56,450 for Polytechnic graduation prizes under all five local Polytechnics starting from Academic Year (AY) 20/21 to AY24/25

Mapletree Youth Resilience Programme (MYRP): Committed S$75,000 to continue MYRP support for 12 youths (from Boys' Town, YouthReach and Beyond Social Services) and expand support for up to another five youths for 2020 (since 2016)

Mapletree Real Estate Programme at SMU: Committed S$2.5 million to expand the programme – which has started since 2018 – to include scholarship programmes and research fellowships

The Mapletree Challenge/ The Mapletree Innovation & Entrepreneurship Forum with SIT: Designed to enhance communication, personal branding and innovation skills of students since 2019

Distribution of children's books to pre-schools: Sponsorship of S$42,300 to publish and distribute 8,400 copies of a children's book, titled "Panjang: The Tall Boy Who Became Prime Minister" (based on the true story of Singapore's Emeritus Senior Minister Goh Chok Tong)

Mapletree-Singapore Chinese Chamber of Commerce & Industry River Hongbao Hackathon 2020: Sponsorship of S$30,000 for a business challenge competition for tertiary student entrepreneurs to pitch and win the chance to sell their products/services at River Hongbao 2020

Support for Phase 2 of design partnership project with SUTD: Supported students with a fund of S$42,000 to create architectural works or furniture by re-using planks from the Sky Park at VivoCity, Singapore

Production of kick-scooter with SIT: Sponsored S$14,000 for the improvement of a kick-scooter prototype which was presented at The Mapletree Challenge 2019

EDUCATION (CONT'D)

Annual Mapletree Youth Futsal Camp: Committed S$12,000 to organise a day-camp for more than 60 youths, including youth beneficiaries and children of staff and tenants in November 2019 (since 2017)

Boys' Town Sport Climbing Competition 2019: Sponsorship of S$22,000 for the event organised by Boys' Town

COMMUNITY

Mapletree Staff CSR Programme FY19/20: Awarded seed funding of S$5,000 to each of the 15 teams from Singapore (GDM, MLTM, MNACTM), Australia, China (Beijing, Chongqing, Foshan, Shanghai, and Ningbo), Hong Kong SAR, Japan, the UK, the US (Chicago and New York) and Vietnam offices

Donation to Bakers' Beyond: Donation of S$20,000 to Bakers' Beyond under Beyond Social Services to refurbish their training space at Whampoa

HEALTHCARE

Partnership with Nanhai Charity Society: Provide healthcare, support, hearing aids, etc. to under-privileged communities in China in a three-year programme (2018-2021)

ENVIRONMENT

Support for Nature Society (Singapore) Programmes:

- Venue sponsorship of the Straw-headed Bulbul Conservation Planning Workshop (2019)
- Sponsorship of S$28,000 for the "Singapore Birds on the Brink" photo exhibition at VivoCity (2019) and the 35th Singapore Bird Race at MBC (2019)

Funding of research project by NUS Department of Mechanical Engineering: Phase 1 of the project aims to turn rubber waste into useful aerogels via green aerogel technology while Phase 2, in which Mapletree sponsored S$155,000, will go to improving efficiency of the process and explore using other waste materials to make aerogels (2019)

Green building initiatives:

- Conducted educational and environmental tours around MBC
- Achieved BCA Green Mark Awards and the LEED certifications which demonstrate best-in-class building strategies and practices (Refer to page 104 for list of green building awards)

SUSTAINABILITY REPORT

ANTI-CORRUPTION AND COMPLIANCE 103-1 103-2 103-3

Why is this important to us?

Corruption is a business risk recognised as a major threat that impacts all aspects of society. It undermines the global effort towards sustainable development, disrupt markets and may cause misallocation of resources within communities. It is thus imperative that we pursue good governance and leadership in stemming out corruption in all its forms.

Compliance cuts across all our sustainability commitments – from human resources to health, safety and environment – enabling us to build better relationships with our stakeholders and a more sustainable business.

Key policies

Group-wide

- Anti-money laundering
- Code of Conduct
- Confidentiality of Information
- Contract Review
- Enterprise Risk Management Framework
- Gifts Policy
- Personal Data Policy
- Securities Trading
- Whistleblowing Policy

Our targets

Current targets		Future targets
FY19/20	**Performance**	**FY20/21**
• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓	• Maintain zero incidences of non-compliance with anti-corruption laws and regulations
• Achieve no material incidences of non-compliance with relevant laws and/or regulations	✓	• Achieve no material incidences of non-compliance with relevant laws and/or regulations

Highlights during the year

0
Incidences of corruption
205-3

0
Material incidences of non-compliance with relevant laws and regulations
307-1 416-2 417-2 417-3 419-1

Contribution to SDGs

17 PARTNERSHIPS FOR THE GOALS

GOOD CORPORATE GOVERNANCE IS THE CORNERSTONE OF OUR SUCCESS

102-16

Good corporate governance underpins the Group's long-term success and ensures investor confidence and business integrity. The Group is committed to conducting its business in accordance with all applicable laws and regulations, in an ethical manner. Mapletree has voluntarily subscribed to some of the core principles set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore. More information about the Group's corporate governance can be found in pages 123 to 127 of the annual report.

To foster a culture of responsible and ethical behaviour within the Group, we have a comprehensive set of policies and procedures in place. The policies are made available on the intranet and are accessible to all employees. Such policies and procedures include anti-money laundering checks on tenants, securities trading, code of conduct, whistleblowing, contract review as well as anti-corruption. To ensure compliance awareness continues throughout the year, relevant employees are kept up-to-date with the recent developments and changes of the applicable laws and regulations through training and communication.

To ensure the effectiveness of risk management, control and governance processes, we have internal audit processes in place. Cases of threatened or pending litigation are reported immediately to the CEO of the Business Unit, the GCCO and Group General Counsel for timely resolution.

Securities Trading By Employees

Mapletree has an internal policy on prudent trading of securities of the

Mapletree group of companies and employees are apprised of insider trading laws regularly. Reminders are issued prior to the start of trading "blackout periods" and employees are required to give pre-trading notifications before any dealings in Mapletree-related securities.

Code of Conduct

Our internal code on General Conduct and Discipline sets out the framework and guidelines for employees on ethical values such as honesty and responsibility, as well as appropriate conduct for our employees.

Whistleblowing

Our Whistleblowing Policy further provides an avenue for employees and external parties to raise concerns about illegal, unethical or otherwise inappropriate behaviour observed in the course of our businesses. The reporting channels are handled with confidential safeguards to ensure that whistleblowers are protected from reprisals or victimisation if reports are made in good faith or are not malicious.

Anti-corruption

The Group recognises that our operations in various geographies and engagement with multiple stakeholders in our business activities exposes us to the risks of bribery and corruption. The Group has a zero-tolerance policy towards bribery and corruption and we take precautionary measures to address such risks.

Our policies relating to anti-corruption, the prohibition of bribery, acceptance or offer of lavish gifts or entertainment are strictly enforced. In addition, our employees are required to adhere to the Group's policies and procedures relating to code of ethics and conduct, conflict of interest and dealing in Mapletree-related securities.

Compliance with laws and regulations

In FY19/20, the Group maintained zero incidences of non-compliance with anti-corruption laws and regulations. There were also no material incidences of non-compliance with other relevant laws and/or regulations.

SUPPLEMENTARY INFORMATION

Stakeholder engagement

102-40 102-42 102-43 102-44 103-1 103-3

An effective sustainability strategy involves understanding our stakeholders' concerns and expectations. Regular stakeholder engagement helps us identify, understand and communicate the topics which are of most importance to our stakeholders and in turn enhance our performance management.

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

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

SUSTAINABILITY REPORT

METHODOLOGY

This section explains the boundaries, methodologies and assumptions used in the computation of Mapletree's sustainability data and information.

Environmental data

- Property-specific data relates to the four stable properties in Singapore – (i) HFC, (ii) HFT 1 and 2, (iii) PSAV, (iv) TPD.

Energy

- The most significant form of energy consumed relates to purchased electricity from the grid, and only includes the common areas and shared services within the four stable properties.
- Electricity intensity is derived by taking total electricity consumption divided by the GFA less vacant lettable area for the four stable properties.

GHG emissions

- GHG emissions are reported in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard. The operational control approach is applied, and Mapletree accounts for GHG emissions from operations over which it or its subsidiaries has operational control.
- Energy indirect (Scope 2) GHG emissions intensity is derived by taking total energy indirect (Scope 2) GHG emissions divided by the GFA less vacant lettable area for the four stable properties.
- A location-based method is adopted to reflect the average emissions intensity of Singapore's grid. The emission factors used are obtained from the Singapore Energy Statistics published by the Energy Market Authority. We adopt the latest available Grid Emission Factor calculated using the Average Operating Margin method for the reporting period.

Water

- Water withdrawal is defined as the total water drawn for use. At Mapletree, this includes third-party water (municipal water sourced from Singapore's PUB) and surface water (rain-water harvesting).
- Water intensity is derived by taking total water withdrawal divided by the GFA less vacant lettable area for the four stable properties.

Employee data

- Employee data relates to the management teams of the Singapore-listed REITs and other business subsidiaries based in Singapore, and does not include workers who are non-employees (e.g. TPSPs)

New Hires and Turnover

- New hires rate is calculated by taking the sum of the new hires in a year divided by 12 to obtain the average number of new hires in a year. The percentage is then calculated by dividing this taking the average of the actual number of new hires in each month across a total of 12 months in a year.
- Turnover rate is calculated by taking the actual number of resignees in each month, summed up for a total of 12 months and then divided by 12 to obtain the average number of resignees in a year. The percentage is then calculated by dividing this average over the average total number of employees.

Occupational health and safety

- Work-related injuries are defined as a negative impact on an employee's health arising from exposure to hazards at work. Injuries as a result of commuting incidents are only included if the transport has been organised by Mapletree. The rate of work-related injuries is computed based on 1,000,000 man-hours worked.
- High-consequence work-related injuries are defined as work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months. The rate of high-consequence work-related injuries is computed based on 1,000,000 man-hours worked.

1 Refer to 117 for Stakeholder Engagement summary.

2 Targets for FY20/21 were established and accurate at the point of production and may be revised depending on the progression of Covid-19 situation.

3 ROIE is computed based on adjusted* PATMI over the Group's equity held at original invested cost (OIC).

4 ROE denotes return on equity and is computed based on PATMI attributable to Equity Holder of the Company over shareholder's funds.

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

6 KPIs measured on a five-year cumulative basis.

7 Measured on Mapletree Investments' balance sheet perspective (excluding REITs) and private funds.

8 Singapore Investments business unit has been renamed to South East Asia and Group Retail. The Singapore Investments sites refer to HarbourFront Centre, HarbourFront Towers One and Two, PSA Vista and Tanjong Pagar Distripark.

9 Latest estimates from the International Energy Agency, "Global Status Report for Buildings and Construction 2019".

10 Diesel is only topped up for back-up purposes and makes up less than 1% of energy used throughout year, and as such is excluded from reporting.

11 Latest estimates from UN-Water, "World Water Development Report 2019".

12 Due to rounding, percentages expressed above may not precisely reflect the absolute figures.

13 Employee data includes the management teams of the Singapore-listed REITs and other business subsidiaries based in Singapore, and does not include workers who are non-employees (e.g. TPSPs).

14 Statistics from Manpower Research and Statistics Department, Ministry of Manpower, "Labour Market Report 2019". The average monthly resignation rate during a quarter is defined as the average number of persons who resigned in a month during the quarter divided by the average number of employees in the establishment. The annual figures are the simple averages of the quarterly figures.

15 Indicate the year in which the bursaries have been established.

* *Adjusted to exclude non-cash and non-operating items such as unrealised revaluation gains or losses mark-to-market fair value adjustments, gains and losses on foreign exchange, negative goodwill and dilution gains and losses and include OIC gains from any gains or losses on disposal and corporate restructuring surplus or deficit.*

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) and/ or Explanation	Identified Omission(s)
General Disclosures			
Organisational Profile			
102-1	Name of the organisation	Page 94	
102-2	Activities, brands, products, and services	Pages 6-7, 74-86, 88-91	
102-3	Location of headquarters	Page 87	
102-4	Location of operations	Pages 30, 87	
102-5	Ownership and legal form	Pages 194-197, 211	
102-6	Markets served	Pages 30, 87	
102-7	Scale of the organisation	Pages 30, 74-86, 88-91, 105, 140-148	
102-8	Information on employees and other workers	Pages 105-107	
102-9	Supply chain	Pages 54-73	
102-10	Significant changes to the organisation and its supply chain	Pages 32-50	
102-11	Precautionary principle or approach	Pages 128-130	
102-12	External initiatives	Pages 97-98	
102-13	Membership of associations	Page 117	
Strategy			
102-14	Statement from senior decision-maker	Pages 8-17	
Ethic and integrity			
102-16	Values, principles, standards, and norms of behaviour	Pages 116-117, 123-127	
102-17	Mechanisms for advice and concerns about ethics	Page 126	
Governance			
102-18	Governance structure	Page 95	
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 95	
102-29	Identifying and managing economic, environmental, and social impacts	Pages 97-98, 104	
102-32	Highest governance body’s role in sustainability reporting	Page 95	
102-36	Process for determining remuneration	Pages 124-125	
Stakeholder engagement			
102-40	List of stakeholder groups	Page 117	
102-41	Collective bargaining agreements	–	Not applicable, as there are no collective bargaining agreements in place.
102-42	Identifying and selecting stakeholders	Page 117	
102-43	Approach to stakeholder engagement	Page 117	
102-44	Key topics and concerns raised	Page 117	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Pages 216-218	
102-46	Defining report content and topic boundaries	Pages 94, 96	
102-47	List of material topics	Pages 97-98	
102-48	Restatement of information	Page 104	
102-49	Changes in reporting	–	Not applicable, as there are no changes from the previous reporting period.
102-50	Reporting period	Page 94	

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
Reporting practice			
102-51	Date of most recent report	The Annual Report/ Sustainability Report for FY18/19 was published in June 2019.	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Page 94	
102-54	Claims of reporting in accordance with the GRI Standards	Page 94	
102-55	GRI content index	Pages 119-122	
102-56	External assurance	Mapletree has not sought external assurance on this report but may do so in the future.	
Material Topic: Economic performance			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 99, 118	
103-2	The management approach and its components	Pages 40-91, 99-100	
103-3	Evaluation of the management approach	Pages 99, 118	
GRI 201 (2016): Economic performance			
201-1	Direct economic value generated and distributed	Pages 140-148	(a)(ii), (iii) – Information unavailable for breakdown of economic value distributed.
Material Topic: Talent retention			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 105, 118	
103-2	The management approach and its components	Pages 105, 118	
103-3	Evaluation of the management approach	Pages 105, 118	
GRI 401 (2016): Employment			
401-1	New employee hires and employee turnover	Page 106	(a), (b) – Mapletree does not view the breakdown by age group, gender and region as material as the Group adopts fair employment practices.
GRI 404 (2016): Training and education			
404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 106-107	
404-3	Percentage of employees receiving regular performance and career development reviews	Page 107	

GRI Standards Disclosures		Reference(s) and/ or Explanation	Identified Omission(s)
Material Topic: Health and safety			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 108, 118	
103-2	The management approach and its components	Pages 108-110	
103-3	Evaluation of the management approach	Pages 108, 118	
GRI 403 (2018): Occupational health and safety			
403-2	Hazard identification, risk assessment, and incident investigation	Page 109	
403-5	Worker training on occupational health and safety	Page 109	
403-6	Promotion of worker health	Pages 108-109	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 109	
403-9	Work-related injuries	Pages 109, 118	(b) – Information unavailable for workers who are not employees but whose work and/or workplace is controlled by the organisation.
GRI 416 (2016): Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 116	
Material Topic: Local communities			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 111, 118	
103-2	The management approach and its components	Pages 111-115	
103-3	Evaluation of the management approach	Pages 111, 118	
GRI 413 (2016): Local communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Pages 111-115	
Material Topic: Energy			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 100, 118	
103-2	The management approach and its components	Pages 100-102	
103-3	Evaluation of the management approach	Pages 100, 118	
GRI 302 (2016): Energy			
302-1	Energy consumption within the organisation	Pages 101, 118	
302-3	Energy intensity	Pages 101, 118	
GRI 305 (2016): Emissions			
305-2	Energy indirect (Scope 2) GHG emissions	Pages 101, 118	
305-4	GHG emissions intensity	Pages 101, 118	
GRI-G4 Sector Disclosures: Construction and real estate			
CRE1	Building energy intensity	Pages 101, 118	
CRE3	GHG emissions intensity from buildings	Pages 101, 118	
CRE8	Type and number of sustainability certification, rating and labelling schemes	Page 104	

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference(s) and/ or Explanation	Identified Omission(s)
Material Topic: Water			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 102, 118	
103-2	The management approach and its components	Pages 102-104	
103-3	Evaluation of the management approach	Pages 102, 118	
GRI 303 (2018): Water and effluents			
303-1	Interactions with water as a shared resource	Page 103	
303-2	Management of water discharge-related impacts	Page 103	
303-3	Water withdrawal	Page 103	
GRI-G4 Sector Disclosures: Construction and real estate			
CRE2	Building water intensity	Page 103	
CRE8	Type and number of sustainability certification, rating and labelling schemes	Page 104	
Material Topic: Anti-corruption			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 116-117	
103-2	The management approach and its components	Pages 116-117	
103-3	Evaluation of the management approach	Pages 116-117	
GRI 205 (2016): Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Page 116	
Material Topic: Compliance with laws and regulations			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Pages 116-117	
103-2	The management approach and its components	Pages 116-117	
103-3	Evaluation of the management approach	Pages 116-117	
GRI 307 (2016): Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	Page 116	
GRI 416 (2016): Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 116	
GRI 417 (2016): Marketing and labelling			
417-2	Incidents of non-compliance concerning product and service information and labelling	Page 116	
417-3	Incidents of non-compliance concerning marketing communications	Page 116	
GRI 419 (2016): Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Page 116	

SUSTAINABILITY CORPORATE GOVERNANCE

As Mapletree continues its business expansion globally, the Group places importance on maintaining good corporate governance practices to ensure investor confidence and business integrity. Although Mapletree is not listed on a stock exchange and therefore not subjected to mandatory disclosures, the Group voluntarily subscribes to some of the core principles set out in the Code of Corporate Governance issued by the Monetary Authority of Singapore.

Mapletree is also committed to establishing long-term value creation and integrating sustainability into its strategy, policies and practices. To this end, Mapletree has voluntarily published its third Global Reporting Initiative (GRI) compliant Sustainability Report which can be found on pages 94 to 122 of this Annual Report.

A) BOARD MATTERS

Board's Conduct of Affairs

Mapletree upholds the principle that an effective Board of Directors (Board) is one that has the right core competencies and diversity of experiences. The collective wisdom of the Board provides strategic guidance and diverse insights to support the Group's Management who is accountable to the Board.

The key roles of the Board are to:

- guide the corporate strategy and direction of the Group;
- ensure that the Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Management.

Board Committee Membership

The Board comprises 11 members, of whom 10 are Non-Executive Directors and Independent Directors. Board committees are also constituted to assist the Board in discharging its duties. The composition of the Board and the various Board committees are detailed on the next page.

Mapletree's Directors are business leaders and distinguished professionals in their respective fields who are appointed based on their professional calibre, experience and stature. The Board was formed with the overall consideration that their collective experiences will bring breadth and depth to the Board's deliberations. The diversified professional backgrounds of the Directors enable the Group's Management to benefit from their external, varied and objective perspectives on issues brought before the Board. Every Director is expected to act in good faith and consider the interests of the Group at all times.

The Board meets at least once every quarter to assess Mapletree's business performance and key activities, as well as reviews strategic policies, significant acquisitions and divestments. The Board is updated on any material change to relevant laws, regulations and accounting standards through briefings by professionals or updates issued by the Management.

All Directors provide, and are also provided with the other Directors' disclosures of interests.

Board Composition and Balance

Mapletree believes that a strong and independent Board composition will prompt broad and in-depth deliberations between the Board and its Management. Apart from the Group Chief Executive Officer (GCEO), who is an Executive Director, all Board members are Independent Directors.

The Board is supported by the Audit and Risk Committee (AC), which oversees financial, risk and audit matters. In addition, other Board committees, namely the Executive Resource and Compensation Committee (ERCC), the Investment Committee (IC) and the Transaction Review Committee (TRC), are constituted to address different aspects of the business. All these ensure optimal effectiveness of the Board, fostering active participation and contribution.

Chairman and GCEO

Mapletree adopts the principle that a clear separation between the roles and responsibilities of the Chairman and the GCEO institutes an appropriate balance of power and authority.

As a Non-Executive Independent Director, the Chairman guides the Board in constructive debates on matters of strategic direction, management and governance. Being non-executive, the Chairman is able to act independently in the best interests of Mapletree. The Chairman and the GCEO are not related to each other.

SUSTAINABILITY
CORPORATE GOVERNANCE

Name	Board of Directors	Audit and Risk Committee (AC)	Executive Resource and Compensation Committee (ERCC)	Investment Committee (IC)	Transaction Review Committee (TRC)
Mr Edmund Cheng Wai Wing	Chairman		Chairman	Chairman	
Mr Lee Chong Kwee	Member	Chairman			Chairman
Mr Paul Ma Kah Woh	Member	Member	Member	Member	
Mr Tsang Yam Pui	Member	Member			
Mr Wong Meng Meng	Member	Member			Member
Mr David Christopher Ryan	Member			Member	
Mr Lim Hng Kiang	Member			Member	
Mr Samuel N. Tsien	Member				
Ms Elaine Teo	Member				Member
Mr Cheah Kim Teck	Member				
Ms Chan Wai Ching			Co-opted Member		
Mr Hiew Yoon Khong	Member			Group CEO & Ex-officio Member	
Ms Wendy Koh Mui Ai[1]				Group CFO & Ex-officio Member	

The GCEO, who is a Board member, is responsible for the management of the Group's business. The GCEO carries out full executive responsibilities over the business directions and operational decisions of the Group. The GCEO is also responsible for ensuring compliance with applicable laws and regulations in the Group's day-to-day operations.

Board Membership
Mapletree recognises that Board renewal is a necessary ongoing process to ensure good governance and to remain relevant to the changing needs of the Group. All appointments and resignations of Board members are approved by the Board. All Board members are required to submit themselves for re-nomination and re-election at regular intervals. As a Board member, the GCEO is also subject to retirement and re-election.

Board Performance
Mapletree adopts the principle that the Board's performance is reflected in the performance of the Group. Each Board member is given sufficient time to bring his or her perspective to the Board to enable constructive discussions for balanced and well-considered decisions to be made.

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

The Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision as well as ongoing reports relating to the operational and financial performance of the Group. The Management is also required to furnish any additional information requested by the Board in a timely manner for the Board to make informed decisions.

The Board has separate and independent access to the Management and the Company Secretary. The Company Secretary oversees the administration of corporate secretarial matters, attends all Board and Board committee meetings, and provides assistance to the Chairman in ensuring adherence to Board procedures.

To discharge its responsibilities effectively, the Board takes independent professional advice as and when necessary. The AC meets the external and internal auditors separately at least once a year, without the presence of the Management.

B) REMUNERATION MATTERS

Mapletree takes on the approach that remuneration matters are to be sufficiently structured and benchmarked to good market practices, in order to attract suitably qualified talent to grow and manage its business.

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

The members of the ERCC are:

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

All ERCC members are independent of the Management. The ERCC oversees executive compensation and development of the Management's bench strength, so as to build and augment a capable and dedicated management team. In addition, it also gives guidance on progressive policies which can attract and retain a pool of talented executives for the present and future growth of the Group.

Specifically, the ERCC:

- establishes compensation policies for key executives;
- approves salary reviews, bonuses and incentives for key executives;
- approves key appointments and reviews succession plans for key positions; and
- oversees the development of key executives and younger talented executives.

Annually, the ERCC conducts a succession planning review of the GCEO and several key positions in the Group. In this regard, potential internal and external candidates for succession are reviewed for immediate, medium and longer term needs. The ERCC held a total of two meetings in FY19/20.

The GCEO, as an Executive Director, does not receive Director's fees. He is a lead member of the Management. His compensation consists of his salary, allowances, bonuses and share appreciation awards from the Group. The latter is conditional upon him meeting certain performance targets. The GCEO is not present during discussions relating to his own compensation, terms and conditions of service, and performance review.

Previously, the ERCC's duties included overseeing the executive compensation and talent development matters of Mapletree Logistics Trust Management Ltd (MLTM), Mapletree Industrial Trust Management Ltd (MITM), Mapletree Commercial Trust Management Ltd (MCTM) and Mapletree North Asia Commercial Trust Management Ltd (MNACTM), which are respectively the real estate investment trust (REIT) Managers of Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust (MNACT), each of which has Mapletree as its sponsor. Since January 2016, with the establishment of a Nominating and Remuneration Committee (NRC) by each of the board of directors of MLTM, MITM, MCTM and MNACTM, the respective NRC oversees the remuneration and succession matters of the directors and senior management of each REIT Manager.

C) ACCOUNTABILITY AND AUDIT

Accountability

Mapletree embraces the belief that in order to build confidence among stakeholders, there is a need to deliver sustainable value. The Group complies with statutory and regulatory requirements as well as adopts best practices in its business processes. On a regular basis, the Board is also apprised of the Group's performance in order to make a balanced and informed assessment of the Group's performance, position and prospects.

Internal Controls

Mapletree adopts the principle that a sound system of internal controls and risk management is necessary for the Group's business.

Mapletree has established internal controls and risk management systems that address the key operational, financial, compliance and information technology (IT) risks relevant to the Group's business and operating environment. These systems provide reasonable but not absolute assurance on the achievement of their intended internal controls and risk management objectives.

The key elements of Mapletree's internal controls and risk management systems of controls are as follows:

Operating structure

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

Policies, procedures and practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority that sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities.

Approval sub-limits are also provided at various management levels to facilitate operational efficiency and provide a system of checks and balances.

Mapletree's procedures and practices are regularly reviewed as well as revised where necessary to enhance controls and efficiency. Mapletree has implemented a Control Self-

SUSTAINABILITY CORPORATE GOVERNANCE

Assessment programme to reinforce risk awareness and compliance with internal controls within the Group, by fostering accountability, control and risk ownership.

The Internal Audit (IA) department reviews compliance with the control procedures and policies established within the internal control and risk management systems.

Whistleblowing policy
To reinforce a culture of good business ethics and governance, Mapletree has a whistleblowing policy to encourage the reporting, in good faith, of any suspected improper conduct, including possible financial irregularities, while protecting the whistleblowers from reprisals. Any reporting is notified to the AC Chairman for investigation and to the AC for deliberation on the findings.

For queries or to make a report, please write to reporting@mapletree.com.sg.

Risk management
Risk management is an integral part of Mapletree's business strategy. In order to safeguard and create value for stakeholders, Mapletree proactively manages risks and embeds the risk management process as part of the Group's planning and decision-making process.

The Risk Management (RM) department oversees the Enterprise Risk Management (ERM) framework, which is adapted from the International Organisation for Standardisation under (ISO) 31000 Risk Management. It reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters to the AC and the Board independently on a quarterly basis.

The risk management system, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. Mapletree has identified key risks, assessed their likelihood and impact on the Group's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The RM department works closely with the Management to review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the AC and the Board.

More information relating to risk management can be found on pages 128 to 130 of this Annual Report.

Information Technology controls
As part of the risk management process, general IT controls and cybersecurity measures have been put in place. These are periodically reviewed to ensure that IT risks and cybersecurity threats are identified and mitigated. In addition, as part of Mapletree's business continuity plan, IT disaster recovery planning and tests are conducted annually to ensure that critical IT systems are functional and adequate backups are in place should an incident occur.

Financial reporting
The Board is updated quarterly on the Group's financial performance. These reports provide explanations for significant variances in financial performance, in comparison with budgets and the actual performance of corresponding periods in the preceding year, as well as an updated full-year forecast. The Board is also provided with quarterly updates on key operational activities.

Financial management
The Management reviews the monthly performances of the Group's portfolio properties to instil financial and operational discipline at all levels of the Group.

The key financial risks which Mapletree is exposed to comprise interest rate risk, liquidity risk, currency risk and credit risk. Where necessary and appropriate, Mapletree hedges against interest and/or currency rate fluctuations. In addition, Management proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained. The Group also has in place credit control procedures for managing tenant credit risk and monitoring debt collection.

Internal audit controls
Annually, IA prepares a risk-based audit plan to review the adequacy and effectiveness of Mapletree's system of internal controls. The department is also involved during the year in conducting system or process reviews that may be requested by the AC or the Management on specific areas of concern. In doing so, IA obtains reasonable assurance that business objectives for the process under review are being achieved and key control mechanisms are in place. After each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. IA monitors and reports on the timely implementation of the action plans to the Management and the AC quarterly.

The external auditors provide an independent perspective on certain aspects of the internal financial controls system arising from their work, and report their findings to the AC annually.

Transaction Review Committee
Since March 2013, with the listing of MNACT, Mapletree has established a TRC to:

(a) resolve any potential conflict of interest that may arise between (i) MNACT and the Mapletree China Opportunity Fund II (whose investment mandate includes investment properties in China) as well as any future Greater China commercial private fund (whose investment mandate includes commercial properties in Greater China) concerning the process to be undertaken to acquire investment properties in Greater China; and (ii) MNACT and any future Japan commercial private fund (whose investment mandate includes commercial properties in Japan) concerning the process to be undertaken to acquire investment properties in Japan; and

(b) grant approval for the acquisition of any seed asset for a future Greater China commercial private fund or a future Japan commercial private fund.

With regard to (a), the TRC process will not apply if the proposed acquisition is by way of a tender, auction or any other form of competitive process.

Audit and Risk Committee

The AC supports the Board in financial, risk and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

Mapletree adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent.

The AC has written Terms of Reference dealing with its scope and authority, which include:

- review of annual internal and external audit plans;
- review of audit findings of internal and external auditors, as well as the Management's responses to them;
- review of quarterly, half-yearly and annual financial statements;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- recommendation of the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- meets with the external and internal auditors, without the presence of the Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational and compliance controls), significant comments and recommendations; and
- reviews and, if required, investigates the matters reported via the whistleblowing mechanism by which staff may, in confidence, raise concerns about suspected improprieties including financial irregularities.

The objective is to ensure that arrangements are in place for independent investigations of any matter arising from such meetings, and for review of such investigations to ensure appropriate follow-up actions are taken. The AC held a total of four meetings in FY19/20.

Internal Audit Department

Mapletree adopts the practice that IA reports directly to the Chairman of the AC and administratively to the Head, Operations System and Control.

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

The Standards set by the IIA cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

The internal auditors involved in IT audits are Certified Information System Auditors and members of the Information System Audit and Control Association (ISACA) in the US. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

To ensure that the internal audits are performed by competent professionals, IA employs qualified staff. In order for their technical knowledge to remain current and relevant, IA also provides training and development opportunities to its staff.

In compliance with the IIA Standards, an external quality assessment review (QAR) of IA is conducted at least once every five years by a qualified, independent reviewer. The last external QAR of IA was completed in 2018 and it was assessed that the Internal Audit function is in conformance with the IIA standards. The next external QAR will be conducted in 2023.

D) COMMUNICATION WITH SHAREHOLDERS

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

1 Ms Wendy Koh Mui Ai was appointed as Group CFO with effect from August 2019.

SUSTAINABILITY RISK MANAGEMENT

Risk management is an integral part of Mapletree's business strategy to deliver strong earnings and sustainable returns.

To safeguard and create value for stakeholders, the Management proactively manages risks and embeds the risk management process as part of the Group's planning and decision-making process.

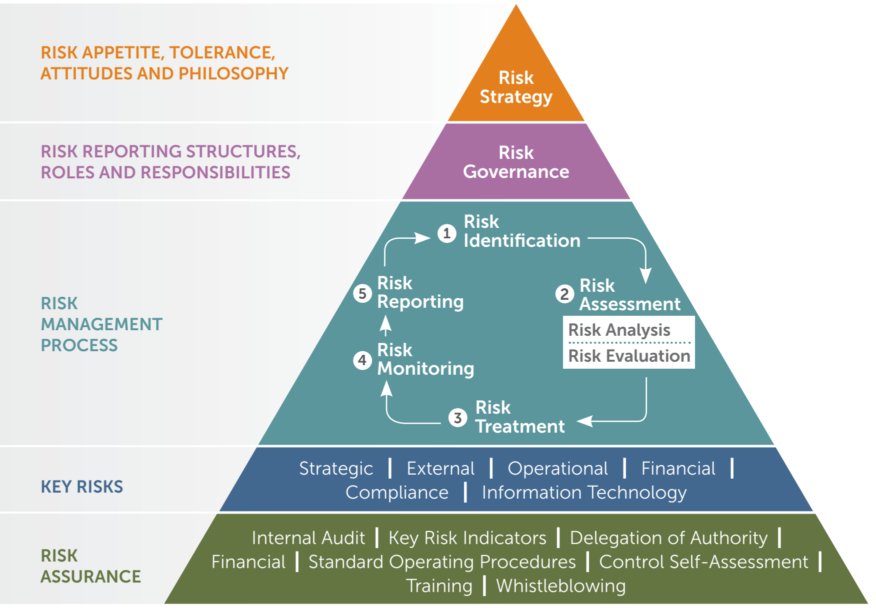
STRONG OVERSIGHT AND GOVERNANCE

The Board of Directors (Board) is responsible for determining the Group's overall risk strategy and risk governance, as well as ensuring that the Management implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks that can be taken to achieve the Group's business objectives. The Board, which is supported by the Audit and Risk Committee (AC), comprises directors whose collective diverse experience and knowledge serve to give guidance and provide strategic insights to the Management. As part of the review of Mapletree's portfolio risks, the AC engages directly with the Risk Management (RM) department on a quarterly basis.

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

Mapletree's Enterprise Risk Management (ERM) framework is adapted from the International Organisation for Standardisation ISO 31000 Risk Management. It is dynamic and evolves with the business, thus providing the Group with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The RM department works closely with the Management to continually review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the AC and the Board. A group-wide control self-assessment (CSA) framework further reinforces risk awareness by fostering accountability, control and risk ownership, as well as provides additional assurance to the Management and the Board that operational risks are being effectively and adequately managed and controlled.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



ROBUST MEASUREMENT AND ANALYSIS

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

The VaR methodology measures risks consistently across Mapletree's portfolio of assets. It enables the Management to quantify the benefits that arise from diversification across the portfolio of assets and to assess risk by country, asset class and risk type. The Manager recognises the limitations of any statistically-based analysis that relies on historical data. Therefore, Mapletree's portfolio is subject to stress tests and scenario analyses to ensure that the Group remains resilient in the event of unexpected market shocks.

RISK IDENTIFICATION AND ASSESSMENT

The Management identifies key risks, assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

Strategic Risks

Market risk

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

Investment risk

Mapletree adopts a rigorous and disciplined investment approach, which subjects all investment proposals to stringent reviews. Project returns are assessed against internal country and sector-specific hurdle rates, which are independently determined by the RM department and regularly reviewed by the Management. Sensitivity analysis is performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant acquisitions, independent risk assessments are conducted by the RM department and included in investment proposals submitted to the Investment Committee or the Board for approval. All investment proposals are subject to rigorous scrutiny by the Board (or delegated to the Management Committee), in accordance with the Board's approved delegation of authority.

Project development risk

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

External Risks

Economic and Geopolitical risks

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

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable Mapletree to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Group regularly reviews its standard operating procedures (SOPs) and benchmarks them against industry practices where appropriate.

Compliance with SOPs is assessed under the CSA framework and reinforced through training of employees and regular reviews by the Internal Audit department.

Human resource risk

The loss of key management personnel or inability to attract, grow and retain key talent and leaders, can cause disruptions to the Group's business operations and hinder the Group from achieving its business objectives. Therefore, succession planning, talent management, competitive compensation and benefits plans have been put in place to attract, reward and retain talents and performing personnel.

Property damage and business disruption risks

In the event of unforeseen catastrophic events, Mapletree has a business continuity plan as well as a crisis communication plan that enable it to resume operations with minimal disruption and loss. Mapletree's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

Credit risk

Credit risks are mitigated from the outset by conducting tenant credit assessment as part of the investment due diligence process prior to an acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken before the signing of lease agreements. On an ongoing basis,

SUSTAINABILITY RISK MANAGEMENT

tenants' credit worthiness is closely monitored by the Asset Management Department and arrears are managed by the Credit Control Committee, which meets regularly to review debtor balances. To further mitigate risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases, where applicable.

Financial Risks

Financial market risks and capital adequacy are closely monitored and actively managed by the Management, and reported to the Board on a quarterly basis.

At the portfolio level, the risk impact of interest rate and currency volatilities on value is quantified, monitored and reported quarterly using the VaR methodology. Refinancing risk is also quantified, taking into account the concentration of loan maturity profile and credit spread volatility.

Interest rate risk
The Management prudently manages exposure to interest rate volatility from the Group's borrowings by way of interest rate derivatives and fixed-rate debts.

Foreign exchange risk
After taking into account cost, tax and other relevant considerations, the Manager will borrow in the same currency as the underlying assets to provide some natural hedge, and/or hedges through derivatives, whenever appropriate.

Liquidity risk
The Management actively monitors the Group's cash flow position and funding requirements to ensure there are significant liquid reserves to fund operations, meet short-term obligations, and achieve a well-staggered debt maturity profile.

The Group also maintains sufficient financial flexibility and adequate debt headroom for Mapletree to fund future acquisitions. In addition, the Group tracks and monitors bank concentration risks, by having a well-diversified funding base.

Compliance Risks

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

Fraud risk
A comprehensive corporate governance framework has been established to maintain responsible and transparent business practices. The framework contains specific guidelines on anti-corruption practices such as the prohibition of bribery, acceptance or offer of gifts and entertainment.

The Group also has a whistleblowing policy that allows employees and stakeholders to raise any serious concerns, dangers, risks, malpractices or wrongdoings in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times. This includes policies on ethics and code of conduct, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Management reserves the rights to take appropriate disciplinary action, including termination of employment.

Information Technology (IT) Risk

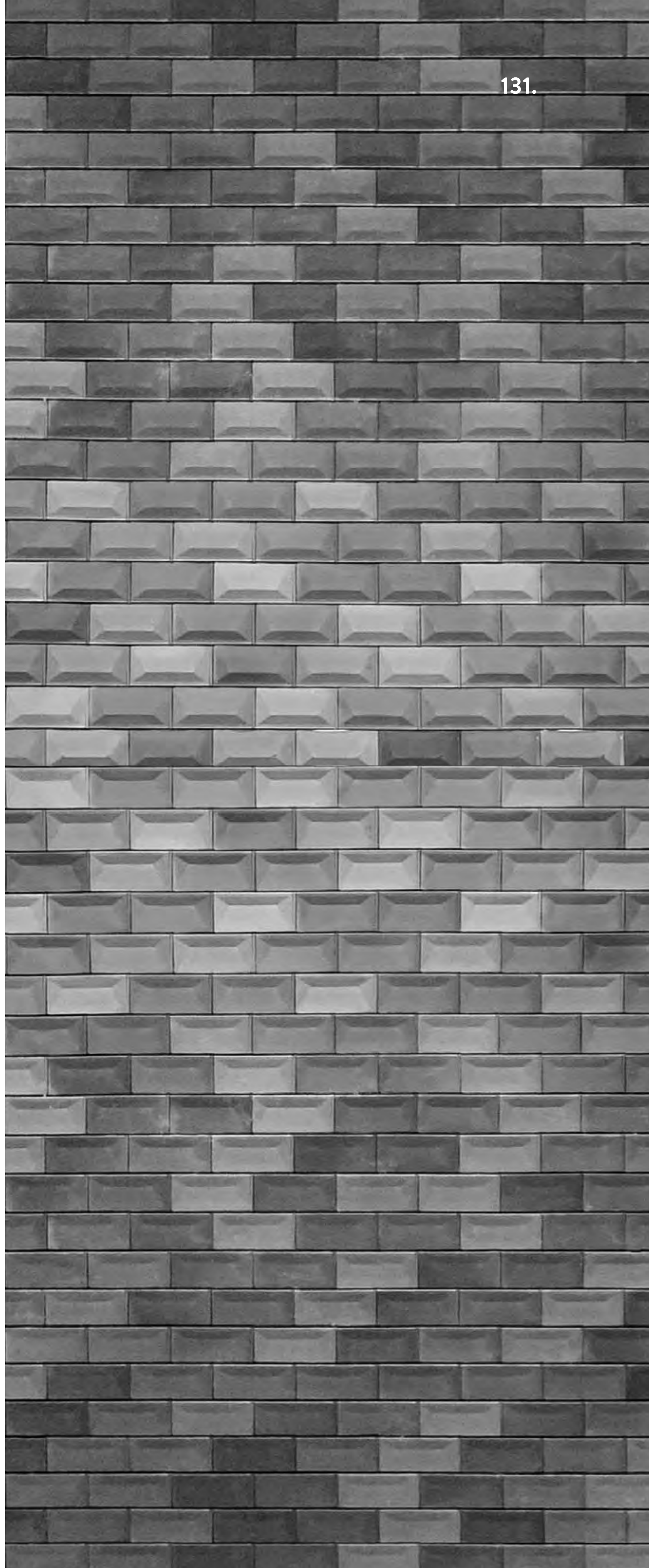
Concerns over the threat posed by cybersecurity attacks have risen as such attacks have become increasingly more prevalent and sophisticated. Mapletree has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. An IT disaster recovery plan is in place and tested annually to ensure that Mapletree's business recovery objectives are met. All employees are required to complete a mandatory online training course on IT security awareness to ensure that they are aware of potential cybersecurity threats. On top of the constant monitoring of Internet gateways to detect potential security events, network vulnerability assessment and penetration testing are also conducted regularly to check for potential security gaps.

RIGOROUS MONITORING AND CONTROL

Mapletree has developed internal key risk indicators that serve as an early-warning system to highlight risks that have escalated beyond the agreed tolerance levels. The Management has also established required actions to be taken when risk thresholds are breached.

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

FINANCIAL STATEMENTS



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

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 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 $'000	2019 $'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

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 $'000	2019 $'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

		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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.

At initial recognition

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

At subsequent measurement

(i) Debt instruments

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

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

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

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

(ii) Equity instruments

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

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 from 1 April 2019 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.

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 $'000	2019 $'000	**2020 $'000**	2019 $'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	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	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** **$'000**	MUSEL Private Trust 2019 $'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** **$'000**	MUSEL Private Trust 2019 $'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 **$'000**	2019 $'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	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	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 $'000	Group 2019 $'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 $'000	Group 2019 $'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 $'000	Group 2019 $'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	2019	**2020**	2019
	$'000	$'000	**$'000**	$'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 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 SGD1: HKD5.75 USD1: HKD7.79 SGD1: JPY81.23 HKD1: JPY14.28 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 USD: 1.3841 CNY: 0.2223 GBP: 1.7277 AUD: 0.9681 INR: 0.01928 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 USD: 1.00	2019 – 2022
Foreign currency risk/ interest rate risk								
– Cross currency swaps to hedge floating rate borrowings denominated in foreign currency	1,265,679	12,055	Derivative financial instruments	(13,225)	15,018	1,793	1.54% – 4.65%	2019 – 2025
Interest rate risk								
– Interest rate swaps to hedge floating rate borrowings	8,692,272	(60,497)	Derivative financial instruments	(65,553)	65,179	(374)	0.13% – 3.89%	2019 – 2028
Net investment hedges								
Foreign exchange risk								
– Forward contracts to hedge net investments in foreign operations	1,618,488	664	Derivative financial instruments	(979)	979	–	JPY: 0.0123 USD: 1.3627 AUD: 1.0352 EUR: 1.5258	2019
– Borrowings to hedge net investments in foreign operations	–	(683,945)	Borrowings	16,054	(16,054)	–	–	–
Fair value hedges								
Interest rate risk								
– Interest rate swaps to hedge fixed rate borrowings	75,000	921	Derivative financial instruments	986	(986)	–	3.02%	2023

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

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
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 $'000	USD $'000	RMB $'000	HKD $'000	JPY $'000	MYR $'000	AUD $'000	GBP $'000	EUR $'000	VND $'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	2019
	Profit after tax	Profit after tax
	$'000	$'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 • Singapore: 3.5% to 9.5% *(2019: 3.6% to 9.0%)* • 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 • Singapore: $26,942 psm *(2019: $24,374 psm)* • 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 • Singapore: 6.5% to 12.5% *(2019: 6.8% to 12.0%)* • Others: 3.4% to 15.5% *(2019: 3.4% to 15.0%)*	The higher the discount rate, the lower the fair value.
		Terminal yield • Singapore: 4.3% to 7.6% *(2019: 4.4% to 7.6%)* • 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 • 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 • 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 • Others: Nil *(2019: 10.0% to 13.5%)*	The higher the capitalisation rate, the lower the fair value.
	Direct comparison	Adjusted price • Others: $53 to $195 psm *(2019: $48 to $395 psm)*	The higher the adjusted price, the higher the fair value.
	Residual value	Gross development valuation • Others: $601 to $1,221 psm *(2019: $534 to $774 psm)*	The higher the gross development valuation, the higher the fair value.
		Development cost • Others: $545 to $960 psm *(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 • Others: 8.8% *(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 %	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	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 $'000	MCT $'000	MIT $'000	MNACT $'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.

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

MAPLETREE INVESTMENTS PTE LTD
10 Pasir Panjang Road #13-01
Mapletree Business City
Singapore 117438
Tel : +65 6377 6111
Fax: +65 6273 2753

www.mapletree.com.sg

Co. Reg. No.: 200010560E

MIX
Paper
FSC FSC™ C126022