IMPORTANT NOTICE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of your Representation: This supplemental offering circular is being sent at your request and by accepting the e-mail and accessing this supplemental offering circular, you shall be deemed to have represented to us that (1) the electronic mail address that you gave us and to which this e-mail has been delivered or being accessed is not located in the United States, and, to the extent you purchase the securities described in the attached document, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such supplemental offering circular and any amendments and supplements thereto by electronic transmission.

You are reminded that this supplemental offering circular has been delivered to you on the basis that you are a person into whose possession this supplemental offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this supplemental offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the issuer in such jurisdiction.

This supplemental offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of DBS Trustee Limited (in its capacity as trustee of Mapletree Industrial Trust), Oversea-Chinese Banking Corporation Limited or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the supplemental offering circular distributed to you in electronic format and the hard copy version available to you on request from DBS Trustee Limited (in its capacity as trustee of Mapletree Industrial Trust) or Oversea-Chinese Banking Corporation Limited.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Supplemental Offering Circular dated 3 May 2021

mapletree
industrial

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 29 January 2008 (as amended)

DBS TRUSTEE LIMITED

(in its capacity as trustee of Mapletree Industrial Trust)

Issue of S$300,000,000 Fixed Rate Perpetual Securities under its

S$2,000,000,000 Euro Medium Term Securities Programme (the Programme)

Issue price: 100%

This Supplemental Offering Circular is supplemental to, and should be read in conjunction with, the Offering Circular dated 5 September 2018 (the **Original Offering Circular** and together with this Supplemental Offering Circular, the **Offering Circular**) and all other documents that are deemed to be incorporated by reference therein.

This Supplemental Offering Circular is prepared in connection with the issue of S$300,000,000 Fixed Rate Perpetual Securities (the **Perpetual Securities**) by DBS Trustee Limited (in its capacity as trustee of Mapletree Industrial Trust (**MIT**)) (**MIT Trustee** or the **Issuer**) under the **Programme**. References in the Original Offering Circular and this Supplemental Offering Circular to "this Offering Circular" mean the Original Offering Circular as supplemented by this Supplemental Offering Circular. Terms defined in the Original Offering Circular have the same meaning when used in this Supplemental Offering Circular, but to the extent that the Original Offering Circular is inconsistent with this Supplemental Offering Circular, the terms of this Supplemental Offering Circular shall prevail.

Application will be made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in, and for a quotation of, the Perpetual Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Perpetual Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, MIT, the Programme or the Perpetual Securities.

The Perpetual Securities will be issued in registered form will initially be represented by a global perpetual security in registered form (a **Registered Global Perpetual Security**), which will be deposited on the issue date with The Central Depository (Pte) Limited (**CDP**). The provisions governing the exchange of interests in the **Registered Global Perpetual Security** for Perpetual Securities in definitive form are described in "*Form of the Perpetual Securities*" of the Offering Circular.

The Perpetual Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**). Accordingly, the Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Perpetual Securities may not be circulated or distributed, nor may the Perpetual Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The sections entitled "*Risk Factors*", "*Description of Mapletree Industrial Trust*", "*Management of the MIT Manager*", "*Taxation*", "*Clearing and Settlement*" and "*Subscription and Sale*" of the Original Offering Circular have been replaced, amended and/or supplemented with the information in this Supplemental Offering Circular.

With effect from the date of this Supplemental Offering Circular, the information appearing in the Offering Circular shall be replaced, amended and/or supplemented by the inclusion of the information set out below in respect of the issuance of the Perpetual Securities.

Investing in the Perpetual Securities involves certain risks. Prospective investors should have regard, *inter alia*, to the factors described under the section headed "*Risk Factors*" in the Original Offering Circular, as supplemented by this Supplemental Offering Circular.

Sole Lead Manager

OCBC Bank

NOTICE TO INVESTORS

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SFA – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A of the SFA) of the classification of the Perpetual Securities as "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97(as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Issuer accepts responsibility for the information contained in this Supplemental Offering Circular and the Original Offering Circular. The MIT Manager confirms that (i) this Supplemental Offering Circular and the Original Offering Circular contains all information with respect to the Issuer, the MIT Manager, MIT and the Group which is material in the context of the Programme and the issue and offering of the Perpetual Securities, (ii) the statements contained in this Supplemental Offering Circular and the Original Offering Circular are in every material respect true and accurate and not misleading, (iii) the opinions and intentions expressed in this Supplemental Offering Circular and the Original Offering Circular are honestly and reasonably made or held (iv) there are no other facts the omission of which would, in the context of the issue and offering of the Perpetual Securities, make any statement in this Supplemental Offering Circular and the Original Offering Circular misleading in any material respect and (v) all reasonable enquiries have been and will be made to ascertain such facts and to verify the accuracy of all such information and statements. Where information contained in this Supplemental Offering Circular and the Original Offering Circular includes extracts from summaries of information and data from various private and public sources, the MIT Manager accepts responsibility for accurately reproducing such summaries and data in this Supplemental Offering Circular and the Original Offering Circular in its proper form and context.

This Supplemental Offering Circular is to be read in conjunction with the Original Offering Circular and the pricing supplement dated 3 May 2021 (the **Pricing Supplement**). Copies of the Pricing Supplement will be available from the registered office of the MIT Trustee and/or the MIT Manager and the specified office set out below of the Issuing and Paying Agent (as defined below).

Neither the Sole Lead Manager, the Agents nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Lead Manager, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Supplemental Offering Circular and the Original Offering Circular or any other information provided by the Issuer in connection with the Programme or the issue of the Perpetual Securities. None of the Sole Lead Manager, Agents or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Supplemental Offering Circular and the Original Offering Circular or any other information provided by the Issuer in connection with the Programme or the issue of the Perpetual Securities.

No person is or has been authorised by the Issuer, the MIT Manager, the Sole Lead Manager, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Supplemental Offering Circular and the Original Offering Circular or any other information supplied in connection with the Programme or the Perpetual Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the MIT Manager, the Sole Lead Manager, any of the Agents or the Trustee.

Neither this Supplemental Offering Circular, the Original Offering Circular nor any other information supplied in connection with the Programme or the Perpetual Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Sole Lead Manager, any of the Agents or the Trustee that any recipient of this Supplemental Offering Circular and the Original Offering Circular or any other information supplied in connection with the Programme, should subscribe for or purchase the Perpetual Securities. Each investor contemplating subscribing for or purchasing the Perpetual Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and MIT. Neither this Supplemental Offering Circular, the Original Offering Circular nor any other information supplied in connection with the Programme or the issue of the Perpetual Securities constitutes an offer or invitation by or on behalf of the Issuer, the Sole Lead Manager, any of the Agents or the Trustee to any person to subscribe for or to purchase the Perpetual Securities. Neither the delivery of this Supplemental Offering Circular, the Original Offering Circular nor the offering, issue, sale or delivery of the Perpetual Securities shall in any circumstances imply that the information contained herein concerning the Issuer or MIT is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or the issue of the Perpetual Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Sole Lead Manager, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or MIT during the life of the Programme or to advise any investor in the Perpetual Securities of any information coming to their attention.

The Perpetual Securities have not been and will not be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Perpetual Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of the Perpetual Securities or the accuracy or the adequacy of this Supplemental Offering Circular and the Original Offering Circular. Any representation to the contrary is a criminal offence in the United States.

This Supplemental Offering Circular and the Original Offering Circular does not constitute an offer to issue or sell or the solicitation of an offer to subscribe for or buy the Perpetual Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Supplemental Offering Circular and the Original Offering Circular and the offer, issue or sale of the Perpetual Securities may be restricted by law in certain jurisdictions. The Issuer, the Sole Lead Manager and the Trustee do not represent that this Supplemental Offering Circular and the Original Offering Circular may be lawfully distributed, or that the Perpetual Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Sole Lead Manager or the Trustee which is intended to permit a public offering of the Perpetual Securities or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Perpetual Securities may be offered, issued or sold, directly or indirectly, and neither this Supplemental Offering Circular, the Original Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Persons into whose possession this Supplemental Offering Circular, the Original Offering Circular or any Perpetual Securities may come into must inform themselves about, and observe, any such restrictions on the distribution of this Supplemental Offering Circular and the Original Offering Circular and the offering, issue and sale of the Perpetual Securities. In particular, there are restrictions on the distribution of this Supplemental Offering Circular and the Original Offering Circular and the offer, issue or sale of the Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore, see “Subscription and Sale”.

MIT does not have a separate legal personality and accordingly, in this Supplemental Offering Circular and the Original Offering Circular, all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated to be given, assumed, discharged or performed by MIT, and all rights, powers and duties of MIT, shall be construed and take effect as representations and warranties given, as undertakings and other obligations, liabilities assumed or to be discharged and performed by, and rights, powers and duties of, the MIT Manager and the MIT Trustee, in accordance with the MIT Trust Deed.

All references in this Supplemental Offering Circular and the Original Offering Circular to **U.S. dollars**, **U.S.$** and **$** refer to United States dollars, to **RMB** refers to Renminbi, **S$** and **SGD** refer to Singapore dollars, **£** or **Sterling** refers to British Pound Sterling and **HK$** or **Hong Kong dollar** refer to Hong Kong dollars. In addition, all references to **euro** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. References to the **United States**, **U.S.** or **US** in this Supplemental Offering Circular and the Original Offering Circular shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

FORWARD LOOKING STATEMENTS

The Issuer has included statements in this Supplemental Offering Circular and the Original Offering Circular which contain words or phrases such as **will**, **would**, **aim**, **aimed**, **is likely**, **are likely**, **believe**, **expect**, **expected to**, **will continue**, **anticipated**, **estimate**, **estimating**, **intend**, **plan**, **seeking to**, **future**, **objective**, **should**, **can**, **could**, **may**, and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the Issuer's expectations with respect to, but not limited to, MIT's ability to successfully implement its strategy, MIT's ability to integrate recent or future mergers or acquisitions into their operations, MIT's growth and expansion, the outcome of any legal or regulatory proceedings MIT is or become a party to, the future impact of new accounting standards and the environment in which MIT operates.

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SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information of the Group as at 31 March 2018, 2019 and 2020 has been derived from the audited financial statements for the financial years ended 31 March 2018, 2019 and 2020 respectively, audited by PricewaterhouseCoopers LLP, and should be read in conjunction with the Independent Auditor's Reports on the audited consolidated financial statements for the financial years ended 31 March 2018, 2019 and 2020 respectively included elsewhere in this Supplemental Offering Circular.

*The summary consolidated financial information of the Group as at and for the financial year ended 31 March 2021 has been extracted from the published unaudited consolidated financial statements of the Group as at and for the financial year ended 31 March 2021 (the **FY2021 Unaudited Financial Statements**), and should be read in conjunction with, and is qualified in its entirety by reference to, the Group's unaudited consolidated financial statements (including the notes thereto) included elsewhere in this Supplemental Offering Circular. The FY2021 Unaudited Financial Statements have not been audited or reviewed by PricewaterhouseCoopers LLP. Investors should not rely on such unaudited consolidated financial information to provide the same quality of information that audited financial information would provide.*

Consolidated Balance Sheets
As at 31 March 2018, 2019, 2020 and 2021

	As at 31 March			
	2018	**2019**	**2020**	**2021 (unaudited)**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current assets				
Cash and cash equivalents	37,419	40,010	53,436	60,464
Trade and other receivables	24,398	33,487	15,160	19,690
Other current assets	1,572	1,727	960	48,616
Derivative financial instruments[1]	14	114	–	499
Investment Property held for sale	–	–	–	119,800
Total current assets	63,403	75,338	69,556	249,069

1 Derivative financial instruments reflect the fair value of the interest rate swaps and currency forwards entered into by the Group and MIT to manage its interest rate risks and currency risks.

	As at 31 March			
	2018	2019	2020	2021 (unaudited)
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Investment properties	3,856,600	4,254,200	4,473,053	5,583,774
Investment property under development	51,700	82,100	–	107,800
Plant and equipment	84	183	165	183
Investments in joint ventures	181,158	194,101	642,198	441,328
Derivative financial instruments[1]	1,375	1,142	2,911	9,465
Total non-current assets	4,090,917	4,531,726	5,118,327	6,142,550
Total assets	4,154,320	4,607,064	5,187,883	6,391,619
Current liabilities				
Trade and other payables	103,108	104,650	94,826	102,215
Borrowings	184,927	74,982	1,275	369,204
Current income tax liabilities	32	240	264	529
Derivative financial instruments[1]	242	238	4,663	5,921
Total current liabilities	288,309	180,110	101,028	477,869
Non-current liabilities				
Deferred tax liabilities[2]	–	–	–	37,098
Other payables	51,403	54,827	47,447	49,212
Borrowings	1,033,190	1,321,732	1,458,292	1,901,896
Derivative financial instruments[1]	1,346	2,869	20,995	30,544
Total non-current liabilities	1,085,939	1,379,428	1,526,734	2,018,750
Total liabilities	1,374,248	1,559,538	1,627,762	2,496,619
Net assets attributable to Unitholders	2,780,072	3,047,526	3,560,121	3,895,000
Represented by				
Unitholders' funds:	2,780,072	3,047,526	3,560,121	3,895,000
Units in issue ('000)	1,885,218	2,021,112	2,201,002	2,351,158
Net asset value per unit (S$)	1.47	1.51	1.62	1.66

1 Derivative financial instruments reflect the fair value of the interest rate swaps and currency forwards entered into by the Group and MIT to manage its interest rate risks and currency risks.

2 Relates to deferred tax expense recognised on respective investment properties in North America, previously held under MRDCT, in accordance with the accounting standards.

Consolidated Statements of Profit or Loss
For the financial years ended 31 March 2018, 2019, 2020 and 2021

	For the financial year ended 31 March			
	2018	2019	2020	2021 (unaudited)
	S$'000	S$'000	S$'000	S$'000
Gross revenue	363,230	376,101	405,858	447,203
Property operating expenses	(85,627)	(88,331)	(87,789)	(96,212)
Net property income	277,603	287,770	318,069	350,991
Interest income	1,027	246	2,634	244
Borrowing costs	(34,055)	(40,108)	(45,019)	(52,888)
Manager's management fees				
– Base fees	(19,215)	(20,540)	(22,473)	(26,421)
– Performance fees	(9,994)	(10,353)	(11,457)	(12,641)
Trustee's fees	(546)	(581)	(642)	(741)
Other trust expenses	(1,322)	(2,001)	(1,524)	(2,058)
Net foreign exchange gain/(loss)	18	(202)	307	(668)
Net fair value gain/(loss) on investment properties and investment property under development	65,470	30,757	50,798	(87,083)[1]
Share of joint ventures' results[2]	21,776	26,138	76,506	44,797
– Net profit after tax	3,900	16,691	29,228	44,867
– Net fair value gain/(loss) on investment properties	17,876	9,447	47,278	(70)
Effects from deemed disposal of investments in joint venture[3]	–	–	–	(15,662)
Loss on divestment of investment property	(200)	–	–	–
Profit before income tax	300,562	271,126	367,199	197,870
Income tax expense	(32)	*	(56)	(33,373)
– Current income tax	(32)	*	(56)	(826)
– Deferred tax[4]	–	–	–	(32,547)
Profit for the financial year	300,530	271,126	367,143	164,497
Earnings per unit (cents)				
– Basic and diluted (cents)	16.36	14.25	17.37	7.11

* Amount less than S$1,000

1 This relates to the net change in the property values arising from independent valuation carried out as at 31 March 2021.

2 Share of joint ventures' results relates to MIT's equity interest in the joint ventures with MIPL. The results of the joint ventures were equity accounted at the Group level. With effect from 1 September 2020, upon completion of the acquisition of the remaining 60.0% interest, financial results of the 14 data centres in the United States previously held under MRDCT has been consolidated.

3 Effects from deemed disposal of investments in joint venture refer to remeasurement of the Group's 40% equity interest in MRDCT to its fair value at acquisition date. This is in accordance with the accounting standards where the carrying amount of investment is remeasured to its fair value and amounts previously recognized in other comprehensive income are reclassified to the Consolidated Statement of Profit or Loss.

4 Relates to deferred tax expense recognised on respective investment properties in North America, previously held under MRDCT, in accordance to the accounting standards.

Consolidated Statement of Cash Flows
For the financial years ended 31 March 2018, 2019, 2020 and 2021

	For the financial year ended 31 March			
	2018	**2019**	**2020**	**2021 (unaudited)**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash flows from operating activities				
Profit after income tax	300,530	271,126	367,143	164,497
Adjustment for:				
– Income tax expense	32	*	56	33,373
– Net fair value gain/(loss) on investment properties and investment property under development	(65,470)	(30,757)	(50,798)	87,083
– Allowance for impairment of trade receivables	–	–	–	655
– Bad debts written off	–	–	–	198
– Interest income	(1,027)	(246)	(2,634)	(244)
– Borrowing costs	34,055	40,108	45,019	52,888
– Manager's management fees paid/payable in units	2,309	2,988	3,012	4,337
– Amortisation and rental incentives	(7,613)	(4,552)	(1,461)	(6,923)
– Depreciation	10	40	55	70
– Loss on divestment of investment property	200	–	–	–
– Share of joint ventures' results	(21,776)	(26,138)	(76,506)	(44,797)
– Net foreign exchange differences	(16)	21	(389)	(3,042)
– Effects from deemed disposal of investments in joint venture	–	–	–	15,662
Operating cash flows before working capital changes	241,234	252,590	283,497	303,757
Changes in operating assets and liabilities:				
– Trade and other receivables	(3,472)	(3,583)	830	(3,947)
– Trade and other payables	6,730	(4,388)	1,395	(14,796)
– Other current assets	(106)	84	834	(47,665)
Cash generated from operations	244,386	244,703	286,556	237,349
Interest received	1,165	245	362	238
Income tax paid	(*)	(*)	(32)	(791)
Net cash provided by operating activities	245,551	244,948	286,886	236,796

* Amount less than S$1,000

	For the financial year ended 31 March			
	2018	2019	2020	2021 (unaudited)
	S$'000	S$'000	S$'000	S$'000
Cash flows from investing activities				
Additions to investment properties and investment property under development	(118,511)	(131,518)	(50,108)	(302,843)
Acquisition of subsidiaries, net of cash received	–	(252,616)	–	(266,484)
Additions to plant and equipment	(91)	(140)	(37)	(88)
Proceeds from divestment of investment property	17,400	–	–	–
Investment in a joint venture	(166,158)	–	(394,264)	–
Loan to a joint venture	(242,392)	–	(333,180)	–
Repayment of loan from a joint venture	235,571	–	330,389	–
Receipt of interest on loan to a joint venture	–	–	–	2,268
Distributions received from joint ventures	–	14,622	17,775	39,952
Net cash used in investing activities	(274,181)	(369,652)	(429,425)	(527,195)
Cash flows from financing activities				
Repayment of bank loans	(867,663)	(598,805)	(874,957)	(752,952)
Payment of financing fees	(1,942)	(1,758)	(2,230)	(2,495)
Gross proceeds from bank loans	989,858	772,576	904,746	976,100
Net proceeds from issuance of new units	153,189	198,964	393,614	403,640
Distributions to Unitholders	(212,088)	(203,959)[1]	(219,263)[2]	(275,832)
Interest paid	(33,290)	(39,723)	(43,650)	(48,406)
Payment of lease liabilities[3]	–	–	(2,307)	(2,381)
Net cash provided by financing activities	28,064	127,295	155,953	297,674
Net (decrease)/increase in cash and cash equivalents	(566)	2,591	13,414	7,275
Cash and cash equivalents at beginning of financial year	37,985	37,419	40,010	53,436
Effects of currency translation on cash and cash equivalents	–	*	12	(247)
Cash and cash equivalents at end of financial year	37,419	40,010	53,436	60,464

* Amount less than S$1,000

1 Excludes S$55.8 million distributed through the issuance of 29,239,867 new units in MIT in FY18/19 as part payment of distributions for the period from 1 July 2018 to 19 February 2019, pursuant to the Distribution Reinvestment Plan (**DRP**).

2 Excludes S$4.4 million distributed through the issuance of 2,172,035 new units in MIT in FY19/20 as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the DRP.

3 Includes payment of finance cost for lease liabilities.

RISK FACTORS

The risk factors in the section headed "Risk Factors" (other than the risk factors under the sub-section "Risks relating to the Notes and Perpetual Securities" and "Risks relating only to the Perpetual Securities") from pages 14 to 47 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

RISKS RELATING TO THE OPERATIONS OF MIT

The outbreak of an infectious disease (such as the on-going COVID-19 pandemic) or any other serious public health concerns in Asia, the U.S. and elsewhere could adversely impact the business, financial condition and results of operations of MIT

Coronavirus Disease 2019 (**COVID-19**) was first identified in Wuhan City, Hubei Province China in December 2019 and has rapidly spread to every province in China and many other countries and regions, including those where MIT operates, such as Singapore and North America. The COVID-19 outbreak has rapidly evolved into a global pandemic and severely affected the global economic outlook. In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various social distancing measures and strict movement controls, including travel restrictions, suspension of business activities and major events, quarantines and city lockdowns as well as measures to alleviate the resulting economic hardship, such as relief from legal actions. A number of governments revised GDP growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

The business, operations and financial performance of MIT have been and may continue to be affected by the COVID-19 pandemic. MIT continued to support its tenants, especially small and medium-sized enterprise tenants who have been affected by supply chain disruptions and fall in business volume as a result of the pandemic. Rental reliefs of about S$12.7 million had been extended to tenants in the financial year ended 31 March 2021 (**FY20/21**), which comprised MIT's COVID-19 Assistance and Relief Programme and mandated rental reliefs under the COVID-19 (Temporary Measures) Act 2020. This will affect MIT's distributable income for FY20/21. As at 31 March 2021, MIT's rental arrears of more than one month was lower at 1.2% of the previous 12 months' gross revenue as compared to 1.4% as at 31 December 2020. This ratio may increase if the COVID-19 pandemic continues.

While the MIT Manager expects MIT's financial performance to be impacted due to the COVID-19 pandemic, the high uncertainties associated with the COVID-19 pandemic make it difficult to predict how long these conditions will persist and the extent to which MIT may be eventually affected. To the extent that the COVID-19 pandemic adversely affects MIT's business, results of operations and financial condition, it may also have the effect of heightening many of the risk factors described herein.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

The outbreak of an infectious disease including but not limited to Severe Acute Respiratory Syndrome (**SARS**), avian influenza (H5N1), Influenza A (H1N1-2009), Middle East respiratory syndrome coronavirus or the on-going COVID-19 pandemic, in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and elsewhere and could thereby adversely impact the revenues and results of MIT. These factors could materially and adversely affect the business and financial conditions and the results of operations of MIT.

The MIT Manager and the MIT Property Managers are wholly-owned subsidiaries of the Sponsor. There may be potential conflicts of interest between MIT, the MIT Manager, the MIT Property Managers and the Sponsor

The Sponsor, its subsidiaries, related corporations and associates are engaged in the investment in, and the development and management of, among other things, real estate which is wholly or partially used for industrial purposes in Singapore and elsewhere in the world. As at 31 March 2021, the Sponsor's wholly-owned subsidiaries, Mapletree Dextra Pte. Ltd. (**Mapletree Dextra**) and the MIT Manager, collectively held 646,369,610 Units constituting approximately 27.49% of the total number of Units in issue.

The Sponsor may exercise influence over the activities of MIT through the MIT Manager, which is a wholly-owned subsidiary of the Sponsor. Moreover, the Sponsor may in the future sponsor, manage or invest in other REITs or other vehicles which may also compete directly with MIT. There can be no assurance that conflicts of interest will not arise between MIT and the Sponsor in the future, or that MIT's interests will not be subordinated to those of the Sponsor. For example, if the Sponsor decides to undertake an industrial property development project in Singapore, the property may upon completion compete with the Properties that are located in Singapore.

The Sponsor has however granted a right of first refusal to MIT (the **ROFR**), which provides MIT with access to future acquisition opportunities of income-producing properties located in Singapore which are primarily used for industrial or business park purposes as well as MIPL's 50.0% interest in Mapletree Rosewood Data Centre Trust, a joint venture between MIT and MIPL, which holds 13 properties located in the U.S. and Canada.

Further, the MIT Property Managers, both wholly-owned subsidiaries of the Sponsor, have been appointed to manage the Properties as well as all future properties in Singapore and the U.S. to be acquired by MIT. There can be no assurance that the MIT Property Managers will not favour properties that the Sponsor has in its own property portfolio over those owned by MIT when providing leasing services to MIT, which could lead to lower occupancy rates and/or lower rental income for the properties owned by MIT as a whole. This may in turn affect the financial condition and results of operations of MIT.

MIT is exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations

MIT's investments in overseas properties will be denominated in the respective foreign currencies of the jurisdictions in which the relevant properties are located. However, MIT will maintain its financial statements in Singapore dollars and will make distributions in Singapore dollars. A substantial proportion of its expenses and liabilities may also be denominated in Singapore dollars. MIT will therefore be exposed to risks associated with exchange rate fluctuations between Singapore dollar and the local currency of any foreign countries in which MIT invests.

MIT will also be exposed to fluctuations in foreign exchange arising from the difference in timing between its receipt and payment of funds. To the extent that its revenue, expenses, assets, liabilities and inter-company loans are not matched in terms of currency and timing, MIT will face foreign exchange exposure. Any fluctuation in foreign exchange rates will also result in foreign exchange gains or losses arising from transactions carried out in foreign currencies as well as translation of foreign currency monetary assets and liabilities as at the balance sheet dates. Should the Singapore dollar appreciate in value against the currencies of countries in which MIT invests, there may be a material adverse effect on MIT's net asset value (**NAV**) and results of operations.

MIT may enter into hedging transactions where feasible and appropriate to partially mitigate and manage the currency risks associated with the cash flows generated by MIT's investments in overseas properties, but there can be no assurance as to the extent or efficacy of any such hedging arrangements. Hedging activities may not achieve the desired beneficial impact on MIT's NAV, financial condition, results of operations and prospects. Hedging typically involves costs, including transaction costs, which may reduce overall returns. These costs may increase as the period covered by the hedging increases and during periods of volatility and adverse fluctuations in foreign exchange rates.

MIT may also be subject to the imposition or tightening of exchange control or repatriation restrictions and may encounter difficulties or delays in the receipt of its proceeds from divestments and dividends due to the existence of such restrictions in the jurisdictions in which it operates.

MIT is exposed to economic and real estate market conditions (including uncertainties and instability in global market conditions, increased competition in the real estate market or industrial properties market)

MIT's Gross Revenue and results of operations depend on the performance of the economies of the jurisdictions in which the Properties are located, including Singapore, the U.S. and Canada. A decline in such economies could adversely affect MIT's results of operations and future growth. The performance of MIT may also be adversely affected by a number of local real estate market conditions, such as the competitiveness of competing industrial properties or an oversupply of industrial properties or reduced demand for industrial properties. The occurrence of any such adverse events may adversely affect the financial condition and results of operations of MIT.

In addition, the economies of the jurisdictions in which MIT operates may be affected by global economic conditions. Economic conditions including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and availability of debt and equity capital could adversely affect the business, financial condition, performance and prospects of MIT.

The COVID-19 pandemic has been one of the most significant global crises; the spread of the pandemic has been rapid since it was first reported in December 2019, while its impact has been long-lasting. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths, have significantly exceeded those observed during the SARS epidemic that occurred from November 2002 to July 2003. COVID-19 has resulted in a global health crisis and a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains.

Besides COVID-19, there are a number of uncertainties in the global markets in 2021. The United States government is expected to continue stimulating the economy hit by the pandemic in the short-term while improving the country's longer-term prospects by encouraging American companies to bring back jobs, renegotiating trade pacts, as well as pushing for increased spending on infrastructure, education, and research and development (e.g. artificial intelligence). In China, the concerns include bilateral trade relations with the U.S., strengthening its domestic economic recovery and putting in place new legal frameworks to deal with an expected rise in defaults in its bond market amidst continued structural imbalances in the China economy, e.g. high corporate leverage. China is also faced with longer-term tensions with the U.S., pressuring it to embark on a multi-year strategy to develop its domestic economy, open it up for foreign competition and reduce its reliance on external demand and high-tech imports to achieve growth. In Hong Kong SAR, economic disruptions from social protest in 2019 eased following the implementation of the National Security Law in July 2020 but COVID-19 sent the country into a second year of recession in 2020.

There are also other global or regional events which could pose greater volatility to foreign exchange and financial markets in general due to the increased uncertainty. For example, in Europe, the UK exited the European Union on 31 January 2020 and announced the EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**) on 24 December 2020, to govern future relations between the EU and the UK following the end of the transition period. The EU formally ratified the Trade and Cooperation Agreement on 29 April 2021 and it came into force on 1 May 2021. In addition, geopolitical risks in the Middle East have continued to emerge sporadically and include US-Iran conflict which was triggered by the killing of a top Iranian General by the U.S. and Iran declaring its withdrawal from the 2015 nuclear agreement. Reviving the nuclear deal will be challenging as nationalistic sentiments may rise ahead of Iran's presidential election in June 2021. Upside risk to oil prices may result if oil shipments from the Persian Gulf are disrupted. In Asia, North Korea's missile tests as well as other political tensions in the region (including the South China Sea) may erupt periodically across the region.

These events could adversely affect MIT insofar as they result in:

- a negative impact on the ability of the tenants to pay their rents in a timely manner or continue their leases, thus reducing MIT's cash flow;
- an increase in counterparty risk; and/or
- an increased likelihood that one or more of (i) MIT's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the properties of MIT's operations, or (iii) MIT's insurers may be unable to honour their commitments to MIT.

The real estate market may also be adversely affected due to interest rate hikes, which would cause the cost of borrowing to rise. This may in turn lead to a fall in property prices. The occurrence of any such adverse events may adversely affect the financial condition and results of operations of MIT.

Any breach by the major tenants of their obligations under the lease agreements may have an adverse effect on MIT

In the event that any major tenants of MIT are unable to pay their rent or breach their obligations under the lease agreements, MIT's financial position may be adversely affected. The performance of the major tenants' other businesses could also have an impact on their ability to make rental payments to MIT. This may adversely affect the financial condition and results of operations of MIT.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of such major tenants to compete with its competitors;
- in the instance where such major tenants have sub-leased the Properties, the failure of the subtenants to pay rent;
- material losses in excess of insurance proceeds; and
- government measures, such as relief from legal actions, which assist tenants to mitigate the impact from and public health crises (such as the on-going COVID-19 pandemic). These include the temporary relief under the Singapore COVID-19 (Temporary Measures) Act

described in "*Risks relating to the Operations of MIT – The outbreak of an infectious disease (such as the on-going COVID-19 pandemic) or any other serious public health concerns in Asia and elsewhere could adversely impact the business, financial condition and results of operations of MIT*" above.

A substantial number of the Properties' leases are for terms of three years, which exposes the Properties to significant rates of lease expiries each year

The Properties have lease cycles in which a substantial number of the leases expire each year. Vacancies following the non-renewal of leases may lead to reduced occupancy rates. If a large number of tenants do not renew their leases in a year in which a substantial number of leases expire, this could adversely affect the financial condition and results of operations of MIT.

The amount MIT may borrow is limited, which may affect the operations of MIT

Under the Property Funds Appendix, prior to 1 January 2022, the total borrowings and deferred payments (collectively, the **aggregate leverage**) of MIT should not exceed 50.0% of the value of the MIT Deposited Property at the time the borrowing is incurred. On or after 1 January 2022, the aggregate leverage limit is 45.0% of the MIT Deposited Property, and MIT's aggregate leverage may exceed this limit (up to a maximum of 50.0%) only if MIT has a minimum adjusted interest coverage ratio[1] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. A decline in the value of the MIT Deposited Property may affect MIT's ability to borrow further.

MIT may, from time to time, require further debt financing to carry out its investment strategies. In the event that MIT decides to incur additional borrowings in the future, MIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to MIT's existing asset portfolio or in relation to MIT's acquisitions to expand its portfolio;
- a decline in the value of the MIT Deposited Property which may cause the borrowing limit to be exceeded, thus affecting MIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which MIT might otherwise be able to resolve by borrowing funds.

The occurrence of any of the abovementioned adverse events may adversely affect the financial condition and results of operations of MIT.

There is no assurance that the current rating given to MIT by Fitch Ratings Inc. will be maintained or that the rating will not be reviewed, downgraded, suspended or withdrawn in the future

MIT is currently assigned a corporate rating of "BBB+" with a stable outlook by Fitch Ratings Inc.. The rating assigned by Fitch Ratings Inc. is based on the views of Fitch Ratings Inc. only. Future events could have a negative impact on the rating of MIT and prospective investors should be aware that there is no assurance that ratings given will continue or that the rating will not be reviewed, downgraded, suspended or withdrawn as a result of future events or judgment on the part of Fitch Ratings Inc.. Any rating changes that may occur may have a negative impact on the market value of the Securities.

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1 "**Adjusted interest coverage ratio**" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

MIT may face risks associated with debt financing and the debt facilities and the debt covenants could limit or affect MIT's operations

As at 31 March 2021, MIT had S$2,245.2 million of gross borrowings with a weighted average tenor of debt of approximately 3.6 years. Approximately 76.8% of MIT's gross borrowings were subject to fixed interest rates by way of interest rate swaps of various terms or fixed rate borrowings.

MIT is subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to meet the required payments of principal and interest under such financing.

MIT distributes at least 90.0%[1] of MIT's Taxable Income[2] to its Unitholders. As a result of this distribution policy, MIT may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. MIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If MIT defaults under such debt facilities, the lenders may be able to declare an event of default requiring the immediate repayment of the outstanding amount under the debt facilities and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

If any Property is mortgaged, such Property could be foreclosed by the lender or the lender could require a forced sale of the Property and utilise the proceeds thereof to repay the principal and interest under the debt facilities, which will result in a consequent loss of income and asset value to MIT. If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds from other capital sources, such as new equity capital, MIT may not be able to repay all maturing debt.

MIT may be subject to the risk that the terms of any refinancing undertaken will be less favourable than the terms of the original borrowings. MIT may also be subject to certain covenants that may limit or otherwise adversely affect its operations. Such covenants may also restrict MIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or repayment of security deposits or require MIT to maintain certain financial ratios (e.g. loan to value ratios). The triggering of any of such covenants may have an adverse impact on MIT's financial condition and results of operations.

MIT's level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting MIT's cash flow.

The occurrence of any of the abovementioned adverse events may adversely affect the financial condition and results of operations of MIT.

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1 Due to the impact from the on-going COVID-19 pandemic, the Ministry of Finance and Inland Revenue Authority of Singapore have on 16 April 2020, announced that they have extended the timeline for Singapore REITs to distribute at least 90% of their taxable income from 3 months to 12 months (after the end of financial year 2020) to qualify for tax transparency.

On 3 June 2020, the timeline for REITs to distribute at least 90% of their taxable income was further extended, such that (a) for financial years ending in 2020, REITs will have up to 31 December 2021, and (b) for financial years ending in 2021, REITs will have up to 31 December 2021, or 3 months after the end of their financial year, whichever is later.

2 "**Taxable Income**" means the income chargeable to tax under the Income Tax Act, Chapter 134 of Singapore, after deduction of allowable expenses and applicable tax allowances (but excluding gains on sale of real properties which are determined to be trading gains).

If the CMS Licence of the MIT Manager is cancelled by the MAS, the operations of MIT will be adversely affected

The CMS Licence issued to the MIT Manager is subject to conditions and may be cancelled by the MAS. If the CMS Licence of the MIT Manager is cancelled by the MAS, the operations of MIT will be adversely affected. This may in turn affect the financial condition and results of operations of MIT.

The MIT Manager may not be able to successfully implement its investment strategy for MIT

There is no assurance that the MIT Manager will be able to implement its investment strategy successfully or that it will be able to expand MIT's portfolio at any specified rate or to any specified size. The MIT Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

MIT faces active competition in acquiring suitable properties. MIT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected by such competition.

Pursuant to the terms of the ROFR granted by MIPL to the MIT Trustee on 28 September 2010, the ROFR may be subject to consent from third parties. There can be no assurance that such third parties will give such consent. It should also be noted that the ROFR is subject to any prior overriding contractual obligations of MIPL or any of its subsidiaries, and where such subsidiaries are not wholly-owned by MIPL, whether directly or indirectly, and whose other shareholder(s) is/are third party(ies) (i.e. parties which are not subject to the ROFR), such subsidiaries will be subject to the ROFR only upon the consent of such third parties being obtained, and in this respect, MIPL shall use best endeavours to obtain such consent.

Even if MIT were able to successfully acquire property or investments, there is no assurance that MIT will achieve its intended return on such acquisitions or investments.

In addition, MIT's investment strategy involves a higher level of risk as compared to a portfolio which has a more diverse range of investments.

Since the amount of borrowings that MIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on MIT's ability to raise equity capital.

Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

There may be significant competition for attractive investment opportunities from other property investors, including other REITs, commercial property development companies and private investment funds. There is no assurance that MIT will be able to compete effectively against such entities.

In the event that the MIT Manager is not able to successfully implement its investment strategy for MIT, this may adversely affect the financial condition and results of operations of MIT.

Acquisitions may not yield the returns expected, resulting in disruptions to MIT's business and straining of management resources

MIT's external growth strategy and its asset selection process may not be successful. Acquisitions may cause disruptions to MIT's operations and divert the MIT Manager's attention away from day-to-day operations. This may in turn affect the financial condition and results of operations of MIT.

The MIT Manager's strategy to initiate asset enhancement on some of the Properties from time to time may not materialise

The MIT Manager may from time to time initiate asset enhancement on some of the Properties. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs. This may adversely affect the financial condition and results of operations of MIT.

Certain construction risks may arise during the building of any new property

Construction of new developments entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction or opening of, new developments. All of these factors may affect MIT's business, results of operations, financial condition and the future cash flows of MIT.

MIT relies on third parties to provide various services

MIT engages or will engage third-party contractors to provide various services in connection with any commercial/industrial developments it may have and with the day-to-day operation of its Properties and physical asset enhancement works, including construction, building and property fitting-out work, alterations and additions, interior decoration and installation of air-conditioning units and lifts. MIT is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and MIT may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to MIT. There can also be no assurance that the services rendered by such third parties will always be satisfactory or match MIT's targeted quality levels. All of these factors could adversely affect MIT's business, financial condition and results of operations.

MIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

MIT's performance depends, in part, on the continued service and performance of the executive officers of the MIT Manager. These key personnel may leave the employment of the MIT Manager. If this occurs, the MIT Manager will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on MIT's financial condition and its results of operations.

The accounting standards in the jurisdictions which MIT operates in may change

MIT may be affected by the introduction of new or revised and/or accounting standards in the jurisdictions in which MIT operates, including Singapore, the U.S. and Canada. The financial statements of MIT may be affected by the introduction of such new or accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- have a significant impact on the presentation of MIT's financial statements;
- have a significant impact on MIT's results of operations;
- have an adverse effect on the ability of MIT to make distributions to Unitholders;
- have an adverse effect on the ability of the MIT Manager to carry out MIT's investment strategy; or
- have an adverse effect on the operations and financial condition of MIT.

MIT may be affected by the introduction of new or revised tax legislation, regulations, guidelines or directives

MIT may be affected by the introduction of new or revised tax legislation, regulations, guidelines or directives. There can be no assurance that any such changes will not have an adverse effect on REITs in general or MIT specifically, including but not limited to changes to legislation or rules relating to the tax regimes in jurisdictions where properties and SPVs of MIT are located.

Specifically, REITs in Singapore enjoy certain tax exemption or concessions and some of these are granted for a specified period of time. These tax exemption or concessions, whether or not for a specified period of time, are or may be subject to review by the Singapore Government. For example, REITs listed on the SGX-ST (including the REIT's wholly-owned Singapore resident subsidiaries) are currently exempt from taxation on certain foreign-sourced income derived in respect of foreign properties acquired on or before 31 December 2025 (as announced in the 2019 Singapore Budget). The foreign income exemption regime may not be extended, and if so, foreign income derived by MIT and/or its wholly-owned Singapore resident subsidiaries in respect of foreign properties acquired after 31 December 2025 may be subject to Singapore income tax.

There is no assurance that the Singapore Government will continue to grant the tax exemptions or concessions currently available to REITs indefinitely or renew them upon their expiry. A removal or modification of any or all of these tax exemptions or concessions may result in increased tax costs to MIT and accordingly have an adverse impact on its financial condition and results of operations.

Generally, the Singapore Government announced in the 2018 Singapore Budget its plans to raise the standard rate of the goods and services tax (**GST**) from 7.0% to 9.0%, sometime in the period from 2021 to 2025. Although it was announced in the 2020 Singapore Budget that the GST rate for 2021 would remain at 7.0%, the Singapore Government reiterated in the 2021 Singapore Budget that the GST rate increase would be necessary by 2025. Further, GST on business-to-business imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism. These changes may result in additional tax costs to MIT if it is not entitled to full input tax credit.

Any such additional tax exposure could have a material adverse effect on MIT's business, financial condition, performance and prospects.

Delay by foreign tax authorities in assessing taxes of overseas Properties could affect the amount of payments on the Securities

In the event the entities holding overseas Properties in the property portfolio of MIT is unable to obtain a tax audit clearance by the foreign tax authorities in a timely manner, the ability of MIT to make payments on the Securities may be affected and MIT may be required to obtain debt or other financing to satisfy payments on the Securities. If MIT is unable to obtain financing on terms that are acceptable or MIT has reached its aggregate leverage limit imposed by the Property Funds Appendix, the amount (if any) and timing of payments on the Securities could be adversely affected.

MIT may be involved in legal and/or other proceedings arising from its operations from time to time

MIT may be involved from time to time in disputes with various parties involved in the development, operation, acquisitions, management, renovation and lease of the Properties such as contractors, subcontractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal and/or other proceedings, and may cause MIT to incur additional costs and delays. In addition, MIT may have disagreements with governmental or regulatory bodies in the course of its operations, which may subject it to administrative proceedings and/or unfavourable orders, directives or decrees that may result in financial losses and/or cause delay to the construction or completion of its projects. This may in turn affect the financial condition and results of operations of MIT.

MIT has, and may continue to, engage in interest rate hedging transactions, which may limit gains and increase costs

MIT has, and may continue to, enter into interest rate hedging transactions to protect itself from the effects of interest rate volatility on floating rate debt. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of MIT.

Interest rate hedging could fail to protect MIT or adversely affect MIT because, among other reasons:

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs MIT's ability to sell or assign its side of the hedging transaction;
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the NAV of MIT if it is due to downward adjustments; and
- interest rate hedging involves risks and transaction costs, which may reduce overall returns.

In the event any such interest rate hedging fails to protect MIT or adversely affects MIT, the financial condition and results of operations of MIT may be adversely affected.

Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the condition, business and operations of the Properties

Acts of God, such as natural disasters, as well as war and terrorist attacks are beyond the control of MIT or the MIT Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. MIT's business and income available for distribution may be adversely affected should such acts of God, war and terrorist attacks occur.

There is no assurance that any act of God, war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, damage the Properties or otherwise have an adverse effect on the business and operations of the Properties, which may in turn affect the financial condition and results of operations of MIT.

Regulatory issues and changes in law may have an adverse impact on MIT's business.

MIT is subject to the usual business risk that there may be changes in laws or the introduction of new or revised legislation, regulations, guidelines or directions affecting REITs generally and/or MIT specifically that could result in a reduction of its income or increase in its costs. For example, there could be changes in tenancy laws that limit its recovery of certain property operating expenses, changes or increases in real estate taxes that cannot be recovered from its tenants or changes in environmental laws that require significant capital expenditure. MIT has investments in Singapore and overseas. Therefore, it will be subject to Singapore and foreign real estate laws, securities laws, tax laws, corporate and commercial laws, any applicable laws relating to foreign exchange and related policies and any unexpected changes to the same.

More particularly in respect of Singapore, MIT, the MIT Manager and the Issuer are regulated by various legislation, regulations, guidelines or directions of relevant authorities, such as MAS. In addition, certain tax concessions, exemptions or waivers are currently extended to REITs. Revisions of the CIS Code and/or the Property Funds Appendix, terminations of tax concessions, or introductions of new legislation, regulations, guidelines or directions by MAS, IRAS or any other relevant authorities that affect the REITs generally may adversely affect MIT's financial condition and results of operations. Some properties in MIT's portfolio are leased from the relevant authorities, such as JTC Corporation (**JTC**) in Singapore. These authorities set out certain legislation, regulations, guidelines or directions governing operations of these properties, such as anchor tenant requirements, subletting policy, land rent payment scheme, etc. Introductions of new or revised legislation, regulations, guidelines or directions by these relevant authorities that affect these properties may adversely affect MIT's financial condition and results of operations.

In respect of MIT's investments overseas, there might be a negative impact on MIT's investments located in a foreign country as a result of measures and policies adopted by the relevant foreign governments and authorities at the local and national levels, including the imposition of foreign exchange restrictions. There are also significant differences between the legal systems of the countries in which MIT's properties are located, which may affect the ability of MIT to exercise its legal rights. Furthermore, any potential enforcement of existing laws by MIT may be uncertain, which may also arise by reason of the different interpretation of the laws by local or provincial authorities. MIT has no control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on its business, financial condition, performance and prospects.

There is no assurance that MIT will be able to leverage on the Sponsor's experience in the operation of the Properties or the Sponsor's experience in the management of REITs

In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the MIT Manager, MIT may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of industrial properties;
- the Sponsor's financial strength, market reach and network of contacts to further its growth; or
- the Sponsor's experience in the management of REITs.

In such an event, MIT may not be able to benefit from the range of corporate services which are available to owners of properties managed by the Sponsor. This may have a material and adverse impact on MIT's results of operations and financial condition.

MIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments

MIT's principal strategy of investing, directly or indirectly, in real estate will subject MIT to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate exposes MIT to the risk of a downturn in the real estate markets in the jurisdictions which the Properties are located in, including Singapore, the U.S. and Canada. Such downturns may lead to a decline in occupancy for properties or real estate-related assets in MIT's portfolio. This may affect MIT's rental income from the Properties, and/or lead to a decline in the capital value of MIT's portfolio, which may in turn affect the financial condition and results of operations of MIT.

MIT may not be able to control or exercise any influence over entities in which it has minority interests

MIT has, and may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that MIT will be able to control such entities or exercise any influence over the assets of such entities or their distributions to MIT. Such entities may develop objectives which are different from those of MIT and may not be able to make any distribution. The management of such entities may make decisions which could adversely affect the operations of MIT. This may in turn affect the financial condition and results of operations of MIT.

RISKS RELATING TO THE PROPERTIES OF MIT

Planned amenities and transportation infrastructure near the Properties may be closed, relocated, terminated, delayed or not completed

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will not be closed, relocated, terminated, delayed or uncompleted. If such an event were to occur, it would adversely impact the accessibility of the relevant Property and the attractiveness and marketability of the relevant Property to tenants. This may have a negative impact on the occupancy rate of the relevant Property, which may in turn affect the financial condition and results of operations of MIT.

The Properties may periodically require significant capital expenditure beyond the MIT Manager's current estimate and MIT may not be able to secure funding

The Properties may require periodic capital expenditure beyond the MIT Manager's current estimate for refurbishment, renovation, improvements and development. MIT may not be able to fund capital improvements solely from cash provided from its operating activities and MIT may not be able to obtain additional equity or debt financing, on favourable terms or at all. If MIT is not able to obtain such financing, the marketability and operating efficiency of such Property may be affected, which may in turn affect the financial condition and results of operations of MIT.

MIT may be liable for encroachment on neighbouring properties

The structures or boundary walls of some of the Properties may encroach on neighbouring state land or private properties whether as a consequence of a change to applicable laws, regulations and policies (such as the Boundaries and Survey Maps Act, Chapter 25 of Singapore which may have affected the boundaries of a number of properties in Singapore, including several of the Properties) or otherwise. If the relevant governing authority or private property owner requires such encroachments to be rectified or regularised by MIT, it could adversely affect the net income of MIT which may in turn affect the financial condition and results of operations of MIT.

The value of MIT's assets may be adversely affected if the MIT Manager, the MIT Property Managers and any other person appointed to manage a Property do not provide adequate management and maintenance

Should the MIT Manager, the MIT Property Managers and any other person appointed to manage a Property fail to provide adequate management and maintenance in respect of any Property, the value of MIT's assets may be adversely affected and this may result in a loss of tenants. This may in turn affect the financial condition and results of operations of MIT.

The cash flow of MIT may be adversely affected by declining rental rates

The amount of cash flow available to MIT will depend in part on its ability to continue to let the Properties on economically favourable terms. As most of MIT's income generated from the Properties is derived from rentals, the cash flow may be adversely affected by any significant decline in the rental rates at which it is able to lease the Properties and to renew existing leases or attract new tenants. There can be no assurance that rental rates will not decline at some point and that such decline will not have an adverse effect on the cash flow of MIT, which may in turn affect the financial condition and results of operations of MIT.

Loss of tenants could directly and indirectly reduce the future cash flows of MIT

MIT's ability to sell the Properties and the value of the Properties could be adversely affected by the loss of any tenant in the event that such tenant files for bankruptcy or insolvency or experiences a downturn in its business, including the decision by any such tenant not to renew its lease.

MIT may suffer material losses in excess of insurance proceeds or MIT may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties

The Properties face the risk of suffering physical damage caused by fire, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases (e.g. the on-going COVID-19 pandemic), contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, MIT's insurance policies for the Properties do not cover acts of war, outbreak of contagious diseases, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, MIT may be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property as it may not be able to rent out or sell the affected Property. MIT will also be liable for any debt or other financial obligation related to that Property. No assurance can be given that material losses in excess of insurance proceeds will not occur, or that this will not in turn affect the financial condition and results of operations of MIT.

Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in adverse impact on the financial condition of MIT

The quality and design of the Properties have a direct influence on the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or arise as a result of new planning laws or regulations. The costs of maintaining industrial properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. In addition, given the age of some of the Properties, they may be required to undergo regularisation exercises to comply with updated building codes. The business and operations of the Properties may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works. This may adversely affect the financial condition and results of operations of MIT.

In addition, physical damage to the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may impose unbudgeted costs on MIT and result in an adverse impact on the financial condition and results of operations of MIT.

MIT may be subject to increases in property expenses and other operating expenses

MIT's financial condition and operating results could be adversely affected if property expenses and other operating expenses increase.

Factors that could increase property expenses and other operating expenses include:

- increases in property taxes and other statutory charges;

- changes in, or implementation of new statutory laws, regulations or government policies (including tax and environmental laws, regulations and policies) which increase the cost of compliance with such laws, regulations or policies;

- increases in insurance premiums; and

- increases in the rate of inflation.

There can be no assurance that should the property expenses and other operating expenses increase, such increase will not have a significant impact on MIT's financial condition and results of operations.

The Properties may be affected by contamination and other environmental issues

The Properties may from time to time be affected by contamination or other environmental issues which may not have been previously identified and/or rectified. This raises a number of risks in the jurisdictions which the Properties are located in, including Singapore, the U.S. and Canada, such as the following:

- the risk of prosecution by environmental authorities or by third parties permitted by law to seek recovery from owners or operators of real properties for personal injury or property damage arising from such environmental issues;

- the requirement for unbudgeted additional expenditure to manage or remedy such environmental issues, pay for any fines or penalties and/or compensate liabilities to governmental agencies or other parties for costs, injuries and damages arising from such issues;

- the adverse impact on the financial position of tenants arising from the above, affecting their ability to trade and to meet their tenancy obligations; and

- the adverse impact on MIT's ability to sell the affected real estate or to borrow funds using such real estate as collateral.

Moreover, some of the Properties may contain or may have contained hazardous substances, such as asbestos-containing building materials. While some preliminary site assessments have been carried out on the Properties, such assessment may not reveal the full extent of the contamination or may fail to reveal all environmental conditions, liabilities or compliance concerns. Material environmental conditions, liabilities or compliance concerns may also have arisen after the assessments were conducted or may arise in the future.

In addition, MIT's operations are also subject to various existing and future environmental laws, including those related to air pollution control, water pollution control, waste disposal and the release, threatened release, storage, disposal and use of hazardous or toxic materials or substances. Such laws often impose strict liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. In some circumstances, applicable governmental authorities may impose a lien on a Property if the governmental authority exercises its right to remedy an environmental condition on a Property.

The occurrence of any of the above may adversely affect the financial condition and results of operations of MIT.

The due diligence exercise on the Properties, tenancies, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies

The MIT Manager believes that reasonable due diligence investigations with respect to the Properties have been conducted prior to their acquisitions. However, there is no assurance that the Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses). Such undisclosed defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on MIT's earnings and cash flows. This may in turn affect the financial condition and results of operations of MIT.

The experts' reports that the MIT Manager relies on as part of its due diligence investigations of the Properties may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

Notwithstanding the due diligence investigations which have been carried out on the Properties, some of the Properties may still not be in compliance with certain laws and regulations. MIT may incur financial or other obligations in relation to such breaches or non-compliance, and this may in turn affect the financial condition and results of operations of MIT.

The representations, warranties and indemnities granted or to be granted to the purchasers of the Properties by the vendors are subject to limitations as to their scope and as to the amount and timing of claims which can be made. There is no assurance that MIT would be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of the acquisition of the Properties, and this may in turn affect the financial condition and results of operations of MIT.

Due to the very large number of Properties and tenancies, a limited property due diligence exercise was conducted on the Properties which included a review of selected lease agreements of the Properties. The limited property due diligence exercise on the Properties may not have identified all defects, breaches of laws and regulations and other deficiencies.

The Properties may face increased competition from other properties

The Properties are located in areas where other competing properties are present and new properties may be developed which may compete with the Properties.

The income from, and market value of, the Properties will be dependent on the ability of the Properties to compete against other properties for tenants. If competing properties are more successful in attracting and retaining tenants, the income from the Properties may be reduced thereby adversely affecting MIT's cash flow. This may in turn affect the financial condition and results of operations of MIT.

The appraisals of the Properties are based on various assumptions and the price at which MIT is able to sell a Property in future may be different from the initial acquisition value of the Property

There can be no assurance that the assumptions relied on for the appraisals of the Properties are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. The appraisals may have included a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition, as well as broader market and economic conditions.

In addition, in valuing the Properties, MIT's independent valuers have highlighted that their valuations are based, among others, upon the attitudes and perceptions of market participants as at the valuation date and the assumption that there were no material changes in overall market conditions between the date of inspection and valuation date.

The on-going COVID-19 pandemic has caused adverse economic conditions and significant market uncertainty. Market conditions and the attitudes of market participants may have undergone significant changes (including since the valuation dates), and may continue to change as the situation continues to develop. Due to current market conditions, the independent valuers have also noted a lack of comparable sales transactions which can be used for comparison purposes. Accordingly, given the ongoing COVID-19 pandemic, valuations may be subject to increased fluctuation as compared to during normal market conditions.

The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future. The price at which MIT may sell a Property may be lower than its purchase price, and this may in turn affect the financial condition and results of operations of MIT.

The Singapore Land Authority, on behalf of the President of the Republic of Singapore, may as lessor, re-enter the Properties that are located in Singapore upon breach of terms and conditions of the State lease

Each Property that is located in Singapore is held under a registered State lease issued by the President of the Republic of Singapore as lessor. Each State lease contains terms and conditions commonly found in State leases in Singapore, including the right of the lessor to re-enter the Properties and terminate the lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions set out in the relevant State lease. In the event that the State lease in respect of any of the Properties located in Singapore is terminated, it may have an adverse impact on the value of MIT's portfolio, which may in turn affect the financial condition and results of operations of MIT.

MIT's properties or any part of them may be acquired compulsorily

The Properties or the land on which the Properties are situated in and outside of Singapore may be compulsorily acquired by the respective governments of the jurisdictions in which they are located for, among other reasons, public use or due to public interest. In the event the Properties or the land on which they are situated are compulsorily acquired, MIT would suffer from a loss of rental income and MIT may be exposed to claims from tenants. In addition, if the market value of the land (or part thereof) to be compulsorily acquired is greater than the compensation (if any) paid to MIT in respect of the acquired land, the income of MIT and in turn, MIT's results of operations and financial condition, may be adversely affected.

The head leases of the Properties located in Singapore are heavily regulated and subject to frequent introduction of new regulations and may contain certain provisions which may have an adverse effect on the financial condition and results of operations of MIT

The head leases of certain Properties may contain certain provisions which could have an adverse effect on the financial condition and results of operations of MIT.

For example, the MIT Trustee, on behalf of MIT, holds the Properties that are located in Singapore under leases from the State and JTC. These leases generally contain a clause that requires the MIT Trustee to surrender free of cost to the Singapore Government portions of the respective Properties that may be required in the future for certain public uses, such as roads, drainage, railways, rapid transit systems and other public improvements. There have been previous instances in which lessees of land from the State and JTC have been required to surrender portions of their land to the Singapore Government for the construction of roads, without compensation, pursuant to similar provisions in the relevant land leases. If MIT is required to surrender a portion of one of the Properties to the Singapore Government, it may have an adverse impact on the value of MIT's portfolio, which may in turn affect the financial condition and results of operations of MIT.

Some of the Properties which are held under leases from JTC are subject to terms and conditions ordinarily found in building agreements or agreements for leases entered into or leases granted by JTC such as provisions requiring the lessee:

- to pay a yearly rent to JTC;

- not to use or permit the Property to be used other than for such purposes as approved by JTC; and

- not to demise, assign, mortgage, let, sublet or underlet or grant a licence or part with or share the possession or occupation of the whole or part of the Property without first obtaining JTC's prior written consent.

Compliance with the terms of its leases may restrict MIT's flexibility to respond to changing real estate market conditions, re-let a property to different tenants or perform valuable asset enhancements. In addition, any current or future breaches of its land leases may require rectification. These restrictions may have an adverse effect on MIT's financial condition and results of operations.

In addition, properties held under leases from JTC are heavily regulated and subject to frequent introduction of new regulations by JTC and land allocation policies, including further measures by JTC to facilitate overall industrial land use planning and development needs in Singapore, which may adversely affect MIT's financial condition and results of operations.

All new leases of industrial land from JTC as well as transfers of JTC properties by owners must give JTC the right to buy the relevant property should the owner decide to sell the property in the future

In order to facilitate overall land use planning and development needs in Singapore, all new leases from JTC as well as transfers of JTC properties by owners are required to allow JTC the right to buy the relevant property should the owner decide to sell the property in the future (excluding sale and leaseback transactions and mortgagee sales).

JTC has imposed such right to buy on four Properties in the portfolio of MIT (being (i) 23A Serangoon North Avenue 5, (ii) 26A Ayer Rajah Crescent, (iii) 12 Sunview Drive and (iv) 7 Tai Seng Drive) as a condition for the transfer of these Properties to the MIT Trustee. According to the announcement, the reason behind this policy is that land in Singapore is scarce and the constant rejuvenation of land use is essential to optimise land use in Singapore. This policy may have an impact on MIT's ability to acquire properties or dispose of its properties. This may in turn affect the financial condition and results of operations of MIT.

There is no assurance that MIT will be able to renew any JTC lease for an additional term

Some of MIT's land leases contain a covenant by JTC to grant a renewal term following the expiration of the current lease term subject to compliance with the terms of the lease (including the satisfaction of certain investment criteria and there being no breaches or non-observances of covenants and conditions by the lessee). There is no assurance that MIT will be able to renew the relevant leases for a further term because prior to expiry of the current term, there may be a breach of the lease, which would allow JTC to revoke the renewal option. If MIT is not able to extend the lease terms of any of the Properties with a renewal option, MIT will have to surrender such Property to JTC upon expiration of the original lease term. The value of the MIT Deposited Property, and consequently the underlying asset value of the Units, may be substantially reduced upon such surrender. Any potential income expected during the renewal term will not be realised. In addition, in compliance with the terms of the lease, MIT may incur substantial expenses to reinstate the Property to a state and condition acceptable to the lessor, including the demolition of any existing building and/or reinstatements on the Property. This may have an adverse effect on the net income of MIT, which may in turn affect the financial condition and results of operations of MIT.

RISKS RELATING TO INVESTING IN REAL ESTATE

MIT may be adversely affected by the illiquidity of real estate investments

MIT's investment strategy involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect MIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. MIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. MIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on MIT's financial condition and results of operations.

The Net Property Income earned from, and the value of, the Properties may be adversely affected by a number of factors

The Net Property Income earned from, and the value of, the Properties may be adversely affected by a number of factors, including, but not limited to:

- the MIT Property Managers' ability to collect rent from the tenants on a timely basis or at all;
- the amount and extent to which MIT is required to grant rental rebates to the tenants;
- defects affecting the Properties which could affect the operations of tenants resulting in the inability of such tenants to make timely payments of rent or at all;
- the tenants seeking the protection of bankruptcy or insolvency laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- the tenants failing to comply with the terms of their leases of commitments to lease;
- waivers of rent and/or cap on interest on late payment of rent being requested for by tenants, or being mandated under relevant laws and regulations (including government measures implemented to address the on-going COVID-19 pandemic);
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for rental space, changes in market rental rates and operating expenses for the Properties);
- vacancies following the expiry or termination of leases (with or without cause) that lead to reduced occupancy rates;
- terms agreed under new tenancies being less favourable than those under current tenancies;
- tenants exercising the right and/or option to take up additional space at the Properties at a rent less than the rent such space may have received;

- the MIT Manager's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;

- competition from other industrial properties for tenants;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

- acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (e.g. the on-going COVID-19 pandemic), natural disasters and other events beyond the control of the MIT Manager.

The occurrence of any of the abovementioned adverse events may adversely affect the financial condition or cash flow of MIT.

The Properties may be subject to increases in direct expenses and other operating expenses

MIT's profitability could be adversely affected if direct expenses and other operating expenses increase (save for such expenses which MIT is not responsible for pursuant to the lease agreements) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in property tax assessments and other statutory charges;

- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

- change in direct or indirect tax policies;

- increase in sub-contracted service costs;

- increase in labour costs;

- increase in repair and maintenance costs;

- increase in the rate of inflation;

- increase in costs relating to adjustment of the tenant mix;

- defects affecting, or environmental pollution in connection with, MIT's Properties which need to be rectified;

- increase in insurance premium; and

- increase in cost of utilities.

RISKS RELATING TO THE DATA CENTRE INDUSTRY

The data centres depend upon the technology industry and the demand for technology-related real estate

A decline in the technology industry or a decline in outsourcing by corporate clients could lead to a decrease in the demand for data centre real estate, which may affect MIT's business and financial condition adversely. MIT is also susceptible to adverse developments in the corporate and institutional data centre and broader technology industries (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, costs of complying with government regulations or increased regulations and other factors) and the technology-related real estate market (such as oversupply of or reduced demand for space).

Amenities and communications and transportation infrastructure near the data centres may be closed, relocated, terminated, delayed or not completed which may in turn adversely impact the demand for data centre space

Data centres are dependent on access to inexpensive power, major population centres and communications networks, including voice, data and fibre optics networks and infrastructure. There is no assurance that amenities and communications and transportation infrastructure near the data centres will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it would adversely impact the accessibility of the relevant data centres and the attractiveness and marketability of the relevant data centres to clients. This may then have an adverse effect on the demand and the rental rates for the relevant data centres and adversely affect MIT's business, financial condition, results of operations and prospects.

Future technological developments may disrupt the economics and infrastructure of data centres

The introduction of new technologies and their impact on data centres cannot be predicted with certainty. Technological developments may have a disruptive impact on MIT's data centres in a variety of ways, including, but not limited to:

- reduced power requirements with an associated reduction in power utilisation by clients, and the resulting revenues generated by clients;

- enhanced computing power with an associated reduction in physical space and increased power density requirements; and

- reduced demand for outsourced, dedicated data centre space given the availability of similarly resilient and secure shared space on the cloud. Potential technological developments include but are not limited to cloud level resiliency. For example, software-enabled cloud environments for storing data could evolve and reduce the requirement for infrastructure-based dedicated data centre storage capacity.

RISKS RELATING TO THE SECURITIES

The regulation and reform of "benchmarks" may adversely affect the value of Securities linked to or referencing such "benchmarks"

The Reset Distribution Rate of the Perpetual Securities is based on the SGD Swap Offer Rate (**SOR**).

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on the Perpetual Securities, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 5 March 2021, the UK Financial Conduct Authority announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or 30 June 2023.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from SOR to the Singapore Overnight Rate Average (**SORA**). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA pursuant to the Securities and Futures (Prescribed Financial Benchmark) Regulations 2020, which came into operation on 5 August 2020. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. On 27 October 2020, the Steering Committee for SOR Transition to SORA (the **SC-STS**) announced industry timelines to support a coordinated shift away from the use of SOR in financial products, and to concurrently accelerate usage of SORA. SOR is expected to be discontinued by end-June 2023. The issuance of SOR-linked loans and securities that mature after end-2021 is expected to cease by end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021.

It is not possible to predict with certainty whether, and to what extent the benchmarks will continue to be supported going forward. This may cause the benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Perpetual Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Perpetual Securities in making any investment decision with respect to the Perpetual Securities.

The benchmark fallback arrangements in respect of the Perpetual Securities may not operate as intended

The terms and conditions of the Perpetual Securities provides for certain fallback arrangements in the event that the relevant Relevant Rate (as referred to in the Condition 4.1(b) of the Perpetual Securities) and/or any page on which the relevant Relevant Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Distribution (as defined in the Conditions) could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer or an Independent Adviser appointed by it (each acting in good faith and in a commercially reasonable manner). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Relevant Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment spread is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Distribution. The use of a Successor Rate or Alternative Reference Rate (including with the application of an adjustment spread) will still result in the Perpetual Securities linked to or referencing the relevant Relevant Rate performing differently, which may include payment of a lower Rate of Distribution than they would if the relevant Relevant Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Distribution for a particular Fixed Distribution Period may result in the Rate of Distribution for the last preceding Fixed Distribution Period being used. This may result in the effective application of a fixed rate for the Perpetual Securities based on the rate which was last observed on the relevant screen page relating to the original Relevant Rate. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser, and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Securityholders

There can be no assurance that the Issuer and/or MIT will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to REITs and business trusts. Application of these laws may have a material adverse effect on Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on Securityholders. Where any of the Issuer or MIT is insolvent or close to insolvent and the Issuer or, as the case may be, the MIT Trustee undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer or, as the case may be, the MIT Trustee. It may also be possible that if a company related to the Issuer or, as the case may be, the MIT Trustee proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer or, as the case may be, the MIT Trustee may also seek a moratorium even if the Issuer or, as the case may be, the MIT Trustee is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer or, as the case may be, MIT, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the **IRD Act**) was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Perpetual Securities.

The risk factor entitled "Singapore taxation risk" appearing on page 42 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

Singapore taxation risk

The Perpetual Securities are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section "Taxation – Singapore Taxation". However, there is no assurance that the Perpetual Securities will continue to enjoy the tax concessions for "qualifying debt securities" should the relevant tax laws be amended or revoked at any time.

The risk factor entitled "Tax treatment of the Perpetual Securities is unclear" appearing on pages 44 to 45 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the **Relevant Tranche of the Perpetual Securities**) will be regarded as "debt securities" by the IRAS for the purposes of the ITA, or whether the distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded by the IRAS as interest payable on indebtedness for the purposes of the ITA or whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Taxation – Singapore Taxation") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, or the distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness for the purposes of the ITA or holders thereof are not eligible for the tax exemptions or tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

In the event that the IRAS does not regard the Relevant Tranche of the Perpetual Securities as "debt securities" for Singapore income tax purposes, the distributions in respect of the Relevant Tranche of Perpetual Securities (including Optional Distributions, Arrears of Distribution and Additional Distribution Amounts, if any) may be subject to Singapore income tax, and the Issuer may be obliged (in certain circumstances) to withhold tax on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of the Relevant Tranche of the Perpetual Securities for or on account of any such taxes or duties. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the tax treatment of payments made to them under the Relevant Tranche of Perpetual Securities (including, without limitation, the Distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts, if any), including the risk of such payments being subject to Singapore withholding tax.

For further details of the tax treatment of the Perpetual Securities, please see the section on "Taxation – Singapore Taxation" herein.

USE OF PROCEEDS

The net proceeds from the issue of the Perpetual Securities will be used by the Group for its general corporate purposes, including refinancing of existing debt.

DESCRIPTION OF MAPLETREE INDUSTRIAL TRUST

The section headed "*Description of Mapletree Industrial Trust*" of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

DESCRIPTION OF MAPLETREE INDUSTRIAL TRUST

History and Background

Listed on the Mainboard of the SGX-ST since 21 October 2010, MIT is a Singapore-based REIT constituted by the MIT Trust Deed.

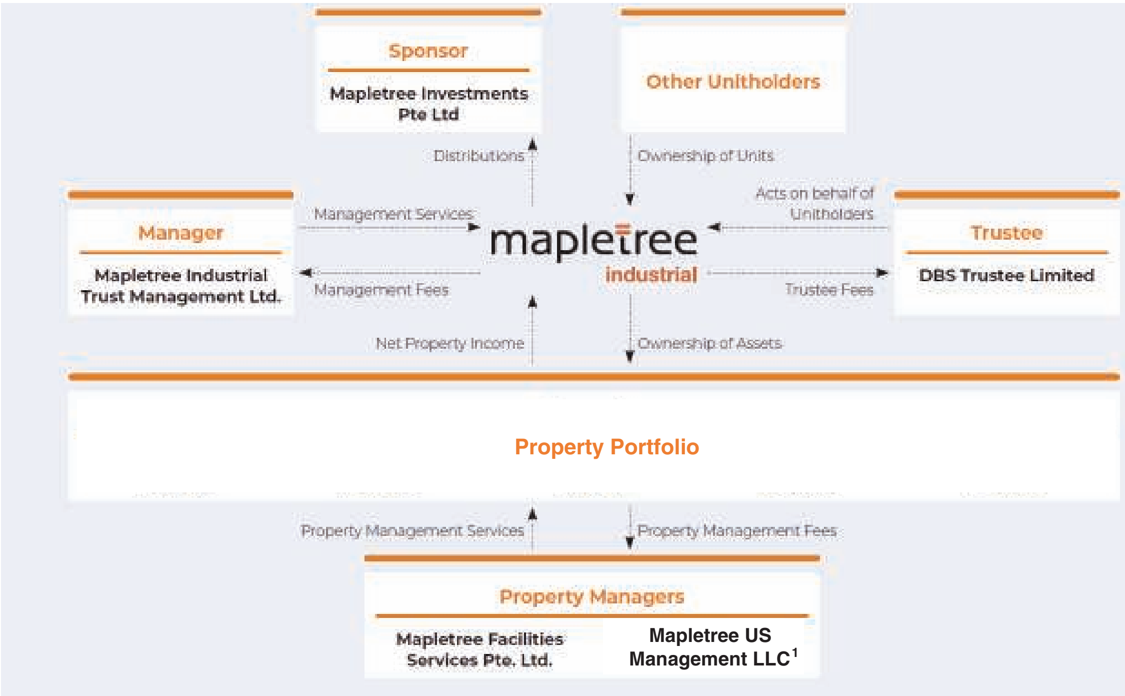
MIT was established with the principal investment strategy of investing in a diversified portfolio of income-producing real estate used primarily for industrial purposes, as well as real estate-related assets within Singapore. MIT expanded its investment strategy in FY17/18 to include data centres worldwide beyond Singapore.

As at 31 March 2021, MIT's total assets under management (**AUM**) were S$6.8 billion[1], which comprised 87 Properties in Singapore and 28 Properties in North America (including 13 data centres held through its 50.0% interest in the joint venture with Mapletree Investments Pte Ltd (the **Sponsor**)). MIT's property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

Structure of MIT

The following diagram illustrates the relationships between MIT, the MIT Manager, Mapletree Facilities Services Pte. Ltd. (the **Singapore Property Manager**), Mapletree US Management LLC (the **U.S. Property Manager**, and together with the Singapore Property Manager, the **MIT Property Managers**), and the Sponsor:

TRUST STRUCTURE



1 A wholly-owned subsidiary of Mapletree Investments Pte Ltd, which provides property management, lease management, project management and marketing services in relation to the 28 data centres in North America.

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[1] Based on MIT's book value of investment properties as well as MIT's interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America and includes MIT's right of use assets of S$26.3 million as at 31 March 2021.

For further details on the MIT Trustee, the MIT Manager and the MIT Property Managers, please refer to the section on "*The MIT Trustee, the MIT Manager, and the MIT Property Managers*".

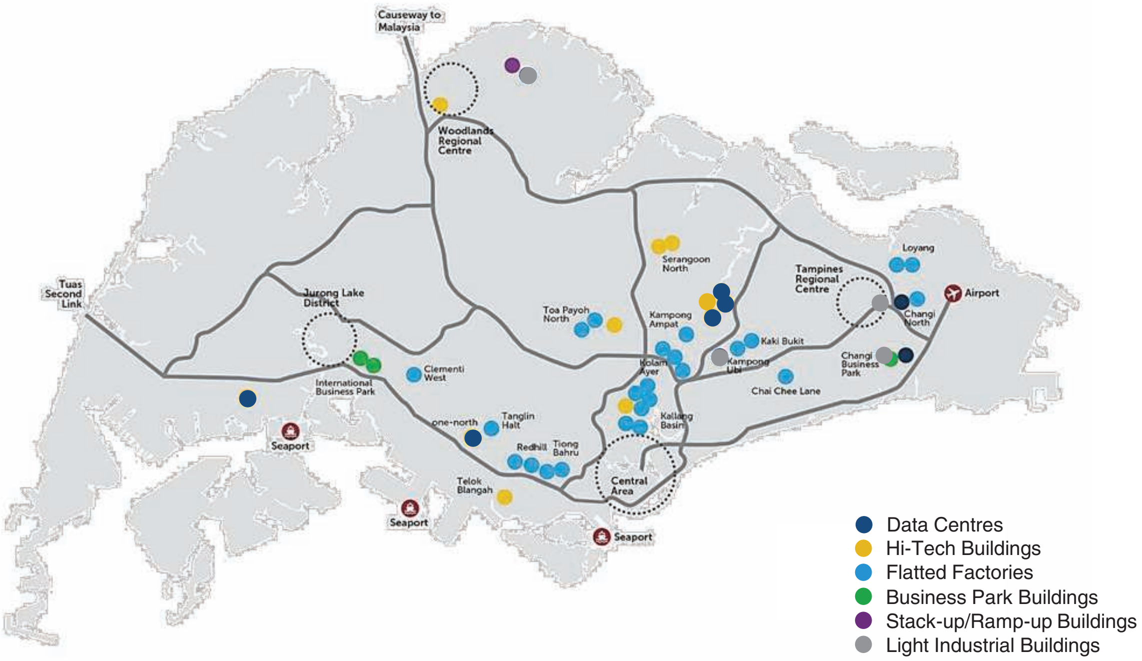
COMPETITIVE STRENGTHS OF THE GROUP

Diversified portfolio of industrial real estate within Singapore and data centres in North America

As at 31 March 2021, MIT's property portfolio comprised 87 Properties in Singapore and 28 Properties across 13 states in the U.S. and 1 in Canada (including 13 data centres held through its 50.0% interest in the joint venture with the Sponsor). As at 31 March 2021, MIT's total AUM was S$6.8 billion[1].

MIT's property portfolio in Singapore includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings. The Properties are strategically located within or near major industrial areas, expressways and airports. Coupled with close proximity to major housing estates (offering convenient access to a ready labour pool) as well as accessibility to public transportation, the Properties are highly sought after by multi-national companies and small and medium-sized enterprises from a diverse range of industries.

SINGAPORE



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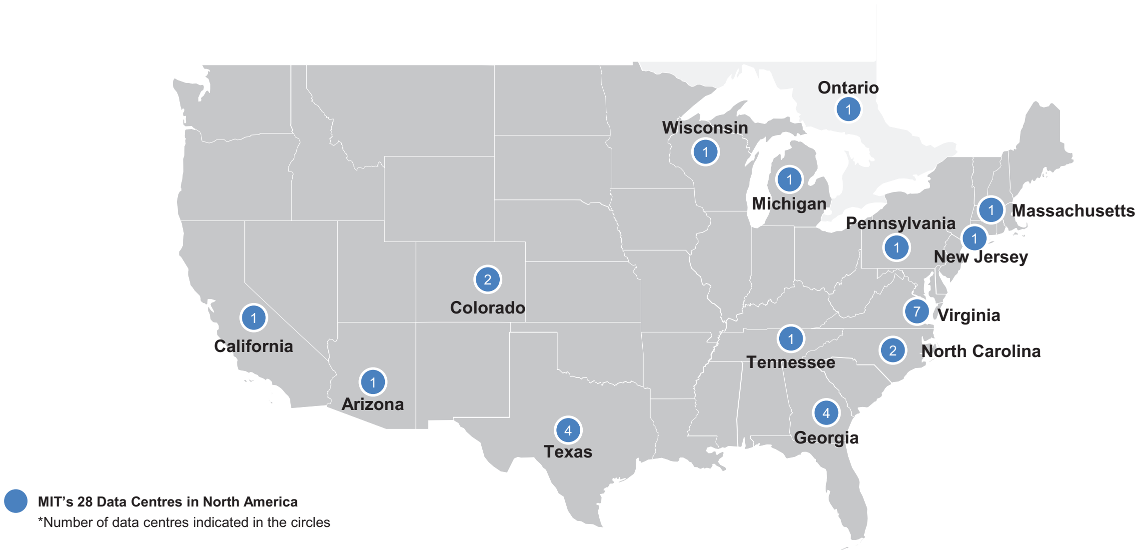
[1] Based on MIT's book value of investment properties as well as MIT's interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America and includes MIT's right of use assets of S$26.3 million as at 31 March 2021.

MIT's Data Centres are located in key data centre markets across North America. The U.S. is the largest and most established data centre market in the world, representing 28% of the global insourced and outsourced data centre market (by net operational sq ft)[1]. With the increasing movement to cloud computing and outsourcing, and potential impact of the Internet of Things (generating large quantities of data to be processed and stored in internet-connected devices), the demand for leased data centres in the U.S. is expected to remain strong.

NORTH AMERICA



Portfolio stability with high occupancy rate, good customer mix and weighted average lease to expiry (by gross rental income)[2] of approximately 4.0 years

MIT's overall portfolio had an average occupancy rate of 93.7%[3] in 4QFY20/21, comprising the average occupancy rates of Singapore portfolio and North American portfolio at 92.9% and 97.6% respectively. The top 10 tenants accounted for about 33.3% of the overall portfolio's monthly gross rental income as at 31 March 2021.

MIT's customers belong to a wide variety of industries, including manufacturing, information and communications, financial and business services, and wholesale and retail trade. Even within each industry, the portfolio of customers widely varies. This diversified customer mix minimises risks associated with reliance on a single industry, thereby lending the portfolio greater stability and resilience.

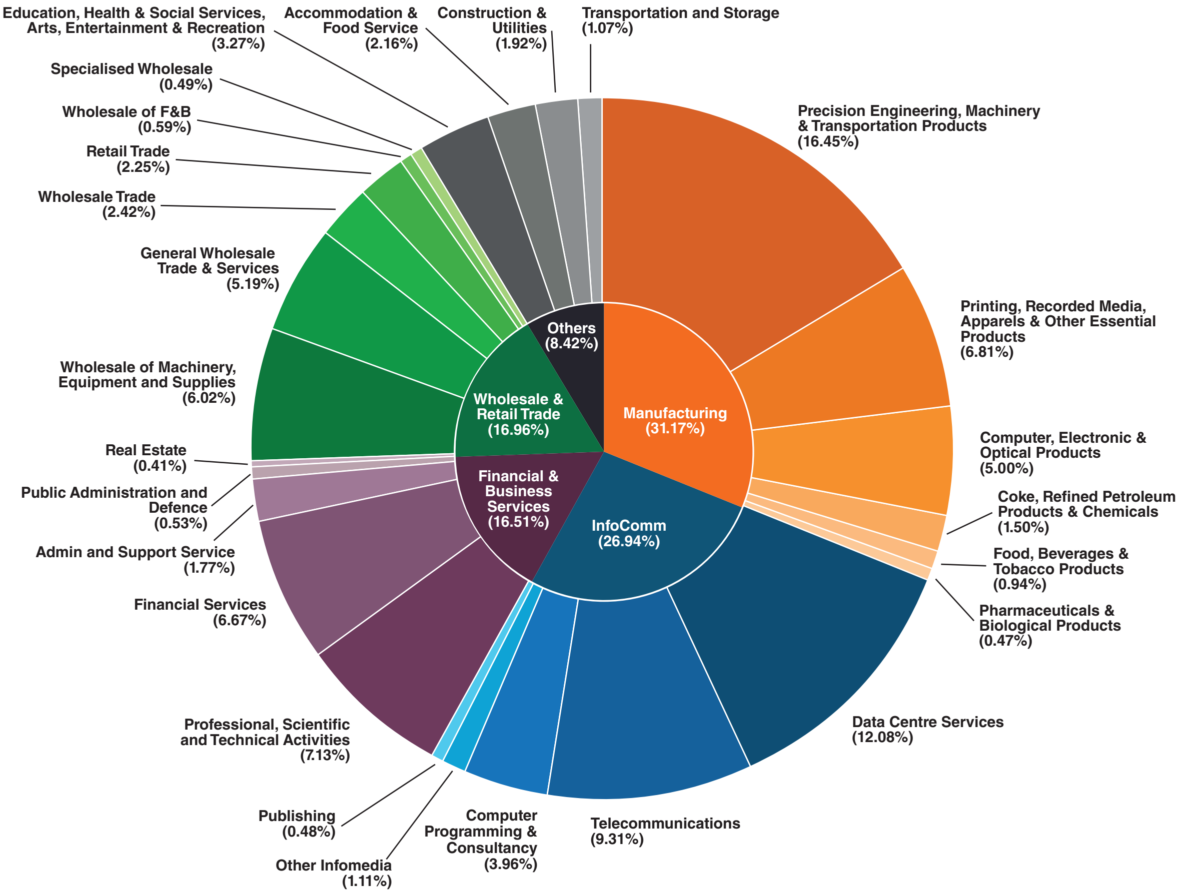
1 Source: 451 Research LLC., 1Q2020. Insourced data centre space refers to enterprise-used data centre space. Outsourced data centre space comprises leased and cloud provider-owned data centre space.

2 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through Mapletree Rosewood Data Centre Trust (**MRODCT**).

3 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

As at 31 March 2021, the overall portfolio's weighted average lease to expiry (by gross rental income)[1] was 4.0 years. This provides visibility and stability to MIT's cash flows and income streams.

TENANT DIVERSIFICATION ACROSS TRADE SECTORS (BY GROSS RENTAL INCOME)[2]
As at 31 March 2021



Experienced management team with experience in fund, investment, marketing, leasing and property management

The MIT Manager and the MIT Property Managers are staffed with experienced professionals, with real estate investment, asset management, and property management experience. The management team has put in place active asset management strategies including marketing, leasing, tenant management, cost management and asset enhancement strategies. These strategies have resulted in high average tenant retention rates, longer tenancies across the portfolio, stable occupancy and improved passing rents.

The MIT Property Managers continuously market the Properties to existing and prospective tenants in desired target groups through advertisements in the print media, direct calls and liaising with property agencies. The agencies and existing and prospective tenants are also regularly updated with information on available units in each Property. As part of the tenant management programme, the MIT Property Managers are also in constant dialogue with existing tenants to understand their business space needs. The MIT Manager believes that such a proactive leasing approach and strategy will enable MIT to attract and retain quality tenants to the Properties.

1 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

2 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

Strong commitment from the Sponsor

The Sponsor held approximately 27.49% of the Units in MIT as at 31 March 2021. The Sponsor is a leading real estate development, investment and capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, the Sponsor has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

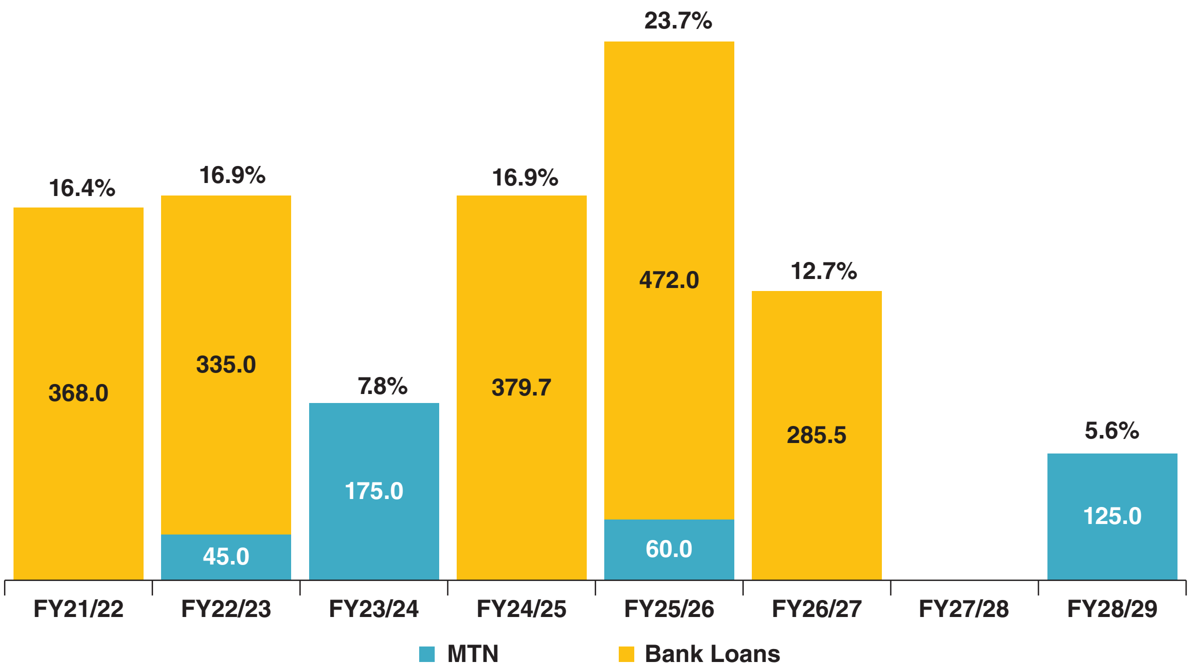
As at 31 March 2020, the Sponsor owned and managed S$60.5 billion of office, retail, logistics, industrial, data centre, residential and lodging properties. It manages four Singapore-listed REITs and five private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the UK and the U.S.

The Sponsor's assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the U.S. and Vietnam. To support its global operations, the Sponsor has established an extensive network of offices in these countries.

Strong balance sheet with BBB+ rating from Fitch Ratings Inc.

Supported by its strong balance sheet, MIT has a BBB+ rating with a stable outlook from Fitch Ratings Inc. MIT had a total debt of S$2,245.2 million and a weighted average tenor of debt of approximately 3.6 years as at 31 March 2021. All borrowings were unsecured with minimal covenants.

DEBT MATURITY PROFILE
As at 31 March 2021



Amounts in S$ million

Through a combination of bank borrowings and medium term notes with staggered remaining maturities of up to 8 years, the debt maturity profile is well-diversified and well-spread. As at 31 March 2021, the highest debt concentration is in FY25/26, comprising about 23.7% of the total outstanding debt.

Both interest rate swaps and fixed rate debt were procured to hedge fluctuations in interest rates. As at 31 March 2021, about 76.8% of total debt was either borrowed on a fixed rate basis or hedged with interest rate swaps. The weighted average hedge tenor was about 3.0 years.

The investment of MIT in data centres in North America was largely funded by U.S. dollar-denominated debt, which provided a natural hedge on the foreign exchange fluctuations that may arise on the balance sheet. Furthermore, foreign exchange rate volatility arising from the U.S. dollar income stream received from the joint venture was hedged using currency forwards. The implementation of prudent capital management initiatives has enabled MIT to maintain its sustainable operating and financial performance and has given rise to MIT's strong corporate rating of BBB+ by Fitch Ratings Inc.

STRATEGIES

The MIT Manager's vision is to be the preferred industrial real estate solutions provider, with a mission of delivering sustainable and growing returns to Unitholders by providing quality industrial real estate solutions to clients.

The MIT Manager's three-pronged strategy is underpinned by the commitment to provide quality industrial real estate solutions to its clients through understanding their requirements and delivering innovative real estate solutions that meet their evolving business needs.

Proactive Asset Management Strategy

The MIT Manager's primary strategy is the maximisation of the organic potential of the portfolio through active asset management by focusing on the following areas:

- proactive leasing and marketing – this includes measures to ensure that leases are renewed in a timely manner, as well as monitor rental arrears to minimise defaults, measures to attract tenants in similar or complementary businesses so as to increase tenants' "stickiness", as well as measures to identify growing trade sectors;

- delivering quality service and customised solutions to tenants – this includes providing high-quality asset management services to maintain high tenant retention rates, through value-added services and on-site amenities, and improving responsiveness to tenants' feedback, as well as accommodating tenants with changing business needs by offering alternative locations within the portfolio;

- improving operational efficiency to reduce operating costs – this includes measures to achieve economies of scale and cost savings through bulk sourcing of services and supplies and energy saving measures; and

- implementing asset enhancement initiatives – this includes measures to enhance and/or upgrade the Properties, building exteriors, amenities and facilities.

Value-creating Investment Management Strategy

The MIT Manager aims to pursue DPU-accretive acquisitions and development projects, including BTS projects with pre-commitments from high-quality tenants. In doing so, the MIT Manager actively and selectively explores acquisition and development opportunities and targets projects which add value or provide strategic benefits to the existing portfolio through its network of real estate industry players, public agencies and referrals from existing clients, as well as from the Sponsor.

In the evaluation of future opportunities, the MIT Manager will seek projects which meet its investment criteria, enhance the diversification of the portfolio by geography, asset and customer profile, and optimise risk-adjusted returns to Unitholders.

Periodically, the MIT Manager may further review the feasibility of divesting the Properties that have reached a stage which offers limited scope for further income growth. Sale proceeds from such divestments can be reinvested in better opportunities.

Prudent Capital Management Strategy

The MIT Manager strives to optimise its capital structure to maximise returns to Unitholders, while maintaining financial flexibility to support acquisition and development opportunities. The key objectives are to maintain a strong balance sheet, diversify sources of funding and optimise the cost of funding. Appropriate interest rate and foreign exchange rate risk management strategies are employed to minimise exposure to market volatility.

The MIT Manager secures both committed and uncommitted facilities, striking a balance between the availability of the funds and the maintenance costs of the committed facilities. The MIT Manager actively expands its network of banks to reduce concentration risk. Besides bank borrowings, the MIT Manager also taps on debt capital market and leverages on the DRP and equity fundraising from time to time to augment funding sources.

As at 31 March 2021, MIT's total outstanding debt was S$2,245.2 million, comprising bank borrowings and debt securities. All borrowings are unsecured with minimal financial covenants.

To maintain a resilient balance sheet, the MIT Manager ensures sufficient liquidity with well-distributed debt maturities. As at 31 March 2021, the highest debt concentration is in FY25/26, with about 23.7% of the total outstanding debt scheduled to come to maturity. About 76.8% of total debt was either borrowed on a fixed rate basis or hedged with interest rate swaps, and the weighted average hedge tenor was about 3.0 years as at 31 March 2021.

RECENT DEVELOPMENTS

On 14 August 2020, the MIT Manager announced that the MIT Trustee had entered into a sale and purchase agreement for the proposed divestment of a seven-storey data centre located at 26A Ayer Rajah Crescent, Singapore to Equinix Singapore Pte. Ltd. at a proposed sale price of S$125.0 million. The proposed divestment is expected to complete in the second quarter of 2021, subject to the approval of JTC.

PORTFOLIO INFORMATION

Segment Overview (as at 31 March 2021)

Data Centres	***Singapore***	***North America***
No. of Properties	5	28
NLA	1,120,192 sq ft	5,034,541
Occupancy Rate for 4QFY20/21	100.0%	97.6[1]%
Valuation	S$406.8 million	U.S.$2,711.5 million
Percentage of Portfolio (By AUM)	6.2%	35.0[1]%

Hi-Tech Buildings	***Singapore***
No. of Properties	15
NLA	3,159,014 sq ft
Occupancy Rate for 4QFY20/21	98.5%
Valuation	S$1,374.5 million
Percentage of Portfolio (By AUM)	20.4%

Flatted Factories	***Singapore***
No. of Properties	53
NLA	7,332,329 sq ft
Occupancy Rate for 4QFY20/21	89.9%
Valuation	S$1,474.3 million
Percentage of Portfolio (By AUM)	21.7%

1 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

Business Park Buildings	***Singapore***
No. of Properties	3
NLA	1,197,095 sq ft
Occupancy Rate for 4QFY20/21	84.2%
Valuation	S$575.1 million
Percentage of Portfolio (By AUM)	8.5%

Stack-up/Ramp-up Buildings	***Singapore***
No. of Properties	7
NLA	3,034,589 sq ft
Occupancy Rate for 4QFY20/21	96.7%
Valuation	S$490.5 million
Percentage of Portfolio (By AUM)	7.2%

Light Industrial Buildings	***Singapore***
No. of Properties	4
NLA	411,128 sq ft
Occupancy Rate for 4QFY20/21	80.4%
Valuation	S$70.9 million
Percentage of Portfolio (By AUM)	1.0%

PORTFOLIO ANALYSIS

The following sections set out certain information as at 31 March 2021 with respect to MIT's then existing portfolio of 115 Properties.

Portfolio Value

MIT's diverse portfolio comprised 87 Properties in Singapore and 28 Properties in North America, (including 13 data centres held through its 50.0% interest in the joint venture with the Sponsor), which accounted for 65.0% and 35.0% of the portfolio (by AUM) respectively as at 31 March 2021. The portfolio is spread across six different property segments – namely, Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

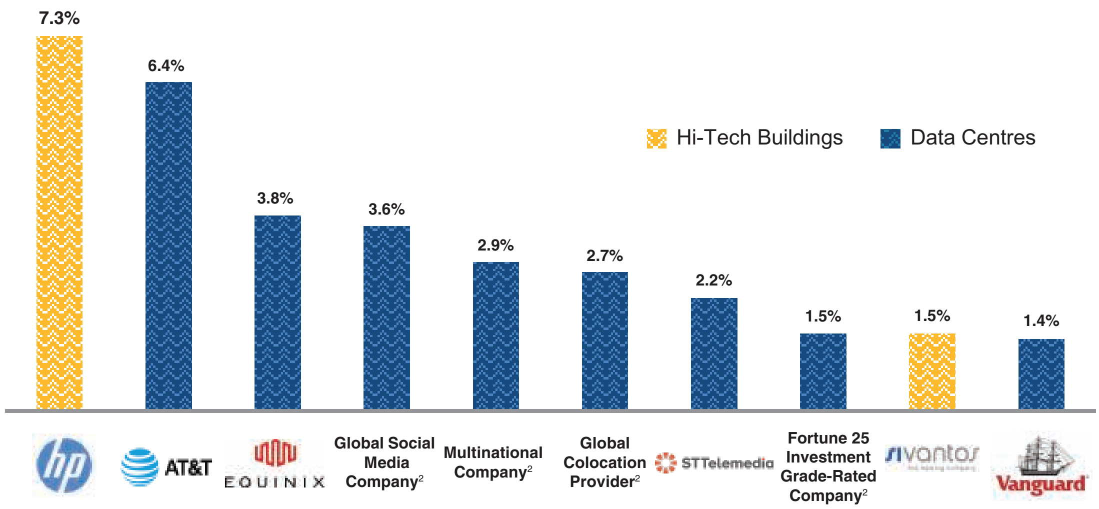
MIT's total AUM grew from S$5.9 billion as at 31 March 2020 to S$6.8 billion[1] as at 31 March 2021.

[1] Based on MIT's book value of investment properties as well as MIT's interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America and includes MIT's right of use assets of S$26.3 million as at 31 March 2021.

Diversified Customer Base and Trade Sectors

The individual percentage contributions of the top 10 tenants are illustrated in the chart below.

TOP 10 TENANTS (BY GROSS RENTAL INCOME)[1]
As at 31 March 2021



MIT's customers belong to a wide variety of industries including manufacturing, information and communications, financial and business services, and wholesale and retail trade. Even within each industry, the portfolio of customers widely varies. This diversified customer base minimises risks associated with reliance on a single industry, thereby lending the portfolio greater stability and resilience.

Lease Expiry Profile (By Gross Rental Income)

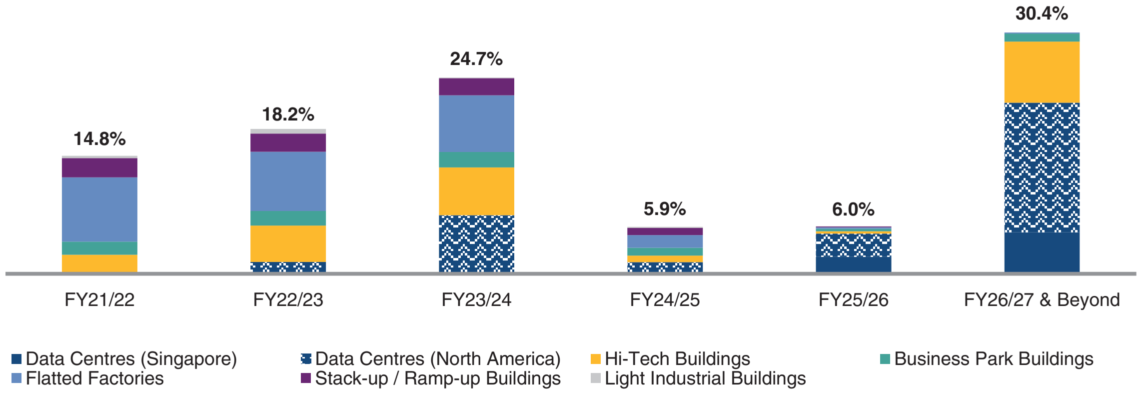
As at 31 March 2021, the portfolio's weighted average lease to expiry (by gross rental income)[1] was 4.0 years. This provided visibility and stability to MIT's cash flows and income streams. The breakdown of weighted average lease term (by gross rental income) for each segment is set out below.

1 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

2 The identities of the tenants cannot be disclosed due to strict confidentiality obligations under the lease agreements.

LEASE EXPIRY PROFILE (BY GROSS RENTAL INCOME)[1]
As at 31 March 2021

WALE based on date of commencement of leases (years)[2]	
Singapore Portfolio	3.1
North American Portfolio	6.2
Overall Portfolio[1]	**4.0**



Portfolio Occupancy

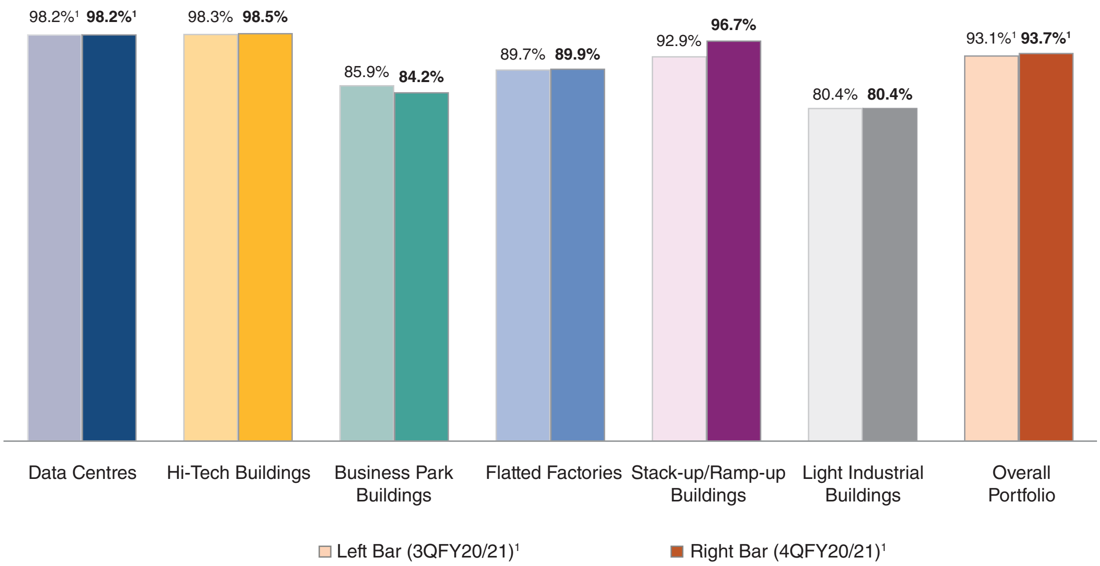
MIT's overall portfolio had an average occupancy rate of 93.7%[1] in 4QFY20/21, comprising the average occupancy rates of Singapore portfolio and North American portfolio at 92.9% and 97.6% respectively.

[1] Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

[2] Refers to leases which commenced prior to and on 31 March 2021.

The occupancy levels by segment are indicated below.

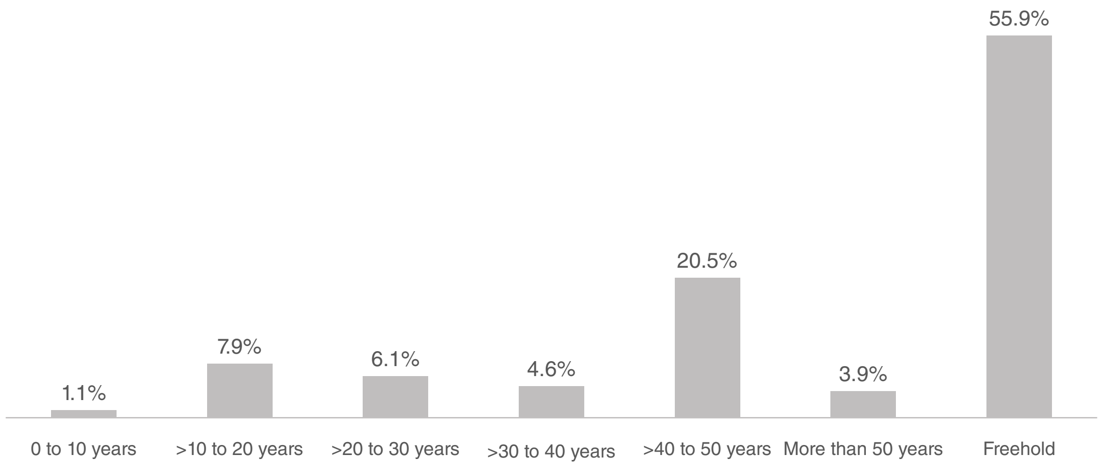
SEGMENTAL OCCUPANCY RATES



Land Lease Expiry Profile (By Land Area)

As at 31 March 2021, freehold land accounted for 55.9% of the portfolio, with the remaining 44.1% on leasehold land. The weighted average unexpired lease term for underlying leasehold land for the Properties was 35.8 years.

REMAINING YEARS TO EXPIRY ON UNDERLYING LAND LEASES (BY LAND AREA)
As at 31 March 2021



1 Based on MIT's 50.0% interest in the joint venture with the Sponsor in three fully fitted hyperscale data centres and 10 powered shell data centres in North America through MRODCT.

PORTFOLIO INFORMATION

Description of portfolio

As at 31 March 2021, MIT's diverse portfolio comprised a total of 87 Properties across 44 clusters[1] in Singapore and 28 Properties in North America (including 13 data centres held through its 50.0% interest in the joint venture with the Sponsor).

The table below shows MIT's portfolio position as at 31 March 2021.

	Description of Property/Cluster	Valuation as at 31 March 2021 S$'000	NLA as at 31 March 2021 (sq ft)	Remaining Term of Land Lease as at 31 March 2021[2] (years)
Data Centres (Singapore)				
1	7 Tai Seng Drive	99,000	256,658	32
2	19 Tai Seng Drive	22,900	92,641	30
3	26A Ayer Rajah Crescent[3]	119,800	384,802	22
4	Mapletree Sunview 1	75,000	241,796	26
5	STT Tai Seng 1	90,100	144,295	48
Hi-Tech Buildings (Singapore)				
6	1 & 1A Depot Close	413,100	725,007	47
7	18 Tai Seng	268,400	384,096	23
8	30A Kallang Place	105,100	277,928	20
9	K&S Corporate Headquarters	68,000	285,913	50
10	161, 163 & 165 Kallang Way[4]	107,800	–	30
11	Serangoon North	186,900	586,147	47
12	Toa Payoh North 1	107,600	477,059	17
13	Woodlands Central	117,600	422,864	47
Flatted Factories (Singapore)				
14	Chai Chee Lane	147,900	787,827	50
15	Changi North	19,400	73,507	47
16	Clementi West	34,600	211,615	17
17	Kaki Bukit	206,700	960,644	47
18	Kallang Basin 1	14,300	133,343	10

1 A property "cluster" consists of one or more individual buildings situated on the same land lot or adjoining land lots.

2 Includes option to renew the land leases.

3 See section on "Recent Developments" on the proposed divestment of 26A Ayer Rajah Crescent.

4 On 31 March 2020, the Kolam Ayer 2 Cluster was reclassified from a Flatted Factory to a Hi-Tech Building Cluster after receiving the Provisional Permission from the Urban Redevelopment Authority on its redevelopment plans. Upon commencement of redevelopment works in July 2020, the property was renamed after its new address (161, 163 & 165 Kallang Way).

Description of Property/Cluster		Valuation as at 31 March 2021 S$'000	NLA as at 31 March 2021 (sq ft)	Remaining Term of Land Lease as at 31 March 2021[2] (years)
19	Kallang Basin 2	26,200	251,417	10
20	Kallang Basin 3	70,700	407,010	20
21	Kallang Basin 4	70,100	383,117	20
22	Kallang Basin 5	52,400	280,440	20
23	Kallang Basin 6	40,700	208,240	20
24	Kampong Ampat	120,100	294,776	47
25	Kampong Ubi	126,000	535,901[1]	50
26	Kolam Ayer 1	73,500	339,274	30
27	Kolam Ayer 5	93,100	447,312	30
28	Loyang 1	68,000	378,505[1]	47
29	Loyang 2	41,900	236,248[1]	47
30	Redhill 1	53,500	312,766	17
31	Redhill 2	46,200	220,506	17
32	Tanglin Halt	47,000	171,688	43
33	Tiong Bahru 1	18,300	110,574	17
34	Tiong Bahru 2	60,500	341,531	17
35	Toa Payoh North 2	19,200	108,968	17
36	Toa Payoh North 3	24,000	137,120	17
Business Park Buildings (Singapore)				
37	The Signature	147,500	343,433	47
38	The Strategy	294,300	571,115	47
39	The Synergy	133,300	282,547	47
Stack-up/Ramp-up Buildings (Singapore)				
40	Woodlands Spectrum 1 & 2	490,500	3,034,589[1]	47
Light Industrial Buildings (Singapore)				
41	19 Changi South Street 1	11,900	71,075	36
42	26 Woodlands Loop	25,500	149,096	34
43	45 Ubi Road 1	21,200	123,112	32
44	2A Changi North Street 2	12,300	67,845	40

1 NLA excludes long strata leases at Kampong Ubi, Loyang 1 and 2 and Woodlands Spectrum 1 & 2.

2 Includes option to renew the land leases.

Description of Property/Cluster		Valuation as at 31 March 2021 U.S.$'000	NLA as at 31 March 2021 (sq ft)	Remaining Term of Land Lease as at 31 March 2021[2] (years)
Data Centres (North America)				
45	2055 East Technology Circle, Phoenix, Arizona	50,000	76,350	62
46	11900 East Cornell Avenue, Denver, Colorado	103,000	285,013	Freehold
47	8534 Concord Center Drive, Denver, Colorado	53,000	85,660	Freehold
48	375 Riverside Parkway, Atlanta, Georgia	99,000	250,191	Freehold
49	115 Second Avenue, Boston, Massachusetts	59,000	66,730	Freehold
50	6800 Millcreek, Toronto, Ontario	35,000	83,758	Freehold
51	17201 Waterview Parkway, Dallas, Texas	13,000	61,750	Freehold
52	45901-45845 Nokes Boulevard, Northern Virginia, Virginia	74,000	167,160	Freehold
53	21110 Ridgetop Circle, Northern Virginia, Virginia	60,000	135,513	Freehold
54	21561-21571 Beaumeade Circle, Northern Virginia, Virginia	57,000	164,453	Freehold
55	44490 Chilum Place (ACC2), Northern Virginia, Virginia[1]	144,000	87,000	Freehold
56	21745 Sir Timothy Drive (ACC9), Northern Virginia, Virginia[1]	485,000	327,847	Freehold
57	21744 Sir Timothy Drive (ACC10), Northern Virginia, Virginia[1]	440,000	289,000	Freehold
58	7337 Trade Street, San Diego, California	191,000	499,402	Freehold

1 MRODCT holds an 80% interest, with Digital Realty holding the remaining 20% interest in the three fully fitted hyperscale data centres.

2 Includes option to renew the land leases.

Description of Property/Cluster		Valuation as at 31 March 2021 U.S.$'000	NLA as at 31 March 2021 (sq ft)	Remaining Term of Land Lease as at 31 March 2021[2] (years)
59	180 Peachtree, Atlanta, Georgia	205,000	357,441	Freehold[1]
60	1001 Windward Concourse, Alpharetta, Georgia	60,000	184,553	Freehold
61	2775 Northwoods Parkway, Atlanta, Georgia	8,600	32,740	Freehold
62	19675 W Ten Mile Road, Southfield, Michigan	6,800	52,940	Freehold
63	2 Christie Heights, Leonia, New Jersey	10,000	67,000	Freehold
64	1805 Center Park Drive, Charlotte, North Carolina	30,000	60,850	Freehold
65	5150 McCrimmon Parkway, Morrisville, North Carolina	29,500	143,770	Freehold
66	2000 Kubach Road, Philadelphia, Pennsylvania	40,000	124,190	Freehold
67	402 Franklin Road, Brentwood, Tennessee	120,000	347,515	Freehold
68	1221 Coit Road, Plano, Texas	28,550	128,753	Freehold
69	3300 Essex Drive, Richardson, Texas	21,000	20,000	Freehold
70	5000 Bowen, Arlington, Texas	27,000	90,689	Freehold
71	N15W24250, Riverwood Drive, Pewaukee, Wisconsin	54,000	142,952	Freehold
72	8011 Villa Park Drive, Richmond, Virginia	208,000	701,321	Freehold

INSURANCE

The Properties are insured in accordance with industry practice in Singapore and North America. Insurance policies taken up include insurance against business interruption, public liability (including personal injury) as well as industrial all risks insurance. There are no significant or unusual excess or deductible amounts required under these policies. All insurance contracts undergo a competitive bid process and insurance brokers are retained to identify requirements, create specifications and evaluate bids with a view to determining the most appropriate coverage and pricing.

1 Except for the parking deck (150 Carnegie Way). As at 31 March 2021, the parking deck has a remaining land lease tenure of about 34.8 years, with an option to renew for an additional 40 years.

2 Includes option to renew the land leases.

MANAGEMENT OF THE MIT MANAGER

The section headed "*Management of the MIT Manager*" of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

MANAGEMENT OF THE MIT MANAGER

DIRECTORS OF THE MIT MANAGER

Mr Wong Meng Meng, Non-Executive Chairman and Director

Mr Wong Meng Meng, Senior Counsel, is the Non-Executive Chairman and Director of the MIT Manager.

Mr Wong is also a Non-Executive Director of the Sponsor, a member of its Audit and Risk Committee and a member of its Transaction Review Committee. In addition, Mr Wong is a Director of NIE International Private Limited.

Mr Wong is the Founder-Consultant of WongPartnership LLP, a leading law firm in Singapore. He is also a Member of the Competition Appeal Board, Singapore. He was previously a member of the Quality Assurance Framework for Universities (QAFU) Panel until 31 December 2019.

Ms Mary Yeo Chor Gek, Lead Independent Non-Executive Director

Ms Mary Yeo Chor Gek is the Lead Independent Non-Executive Director and the Chairperson of the Nominating and Remuneration Committee of the MIT Manager.

Ms Yeo is the Vice President, Global Strategic Partnership of UPS Asia Group, the world's largest package delivery company and a leading global provider of specialised transportation and logistics services. She joined UPS Asia Group in 1988 and has been with UPS Asia Group for more than 30 years. She has more than 30 years of experience in the transportation and logistics industry.

Ms Yeo is also a Board Member of the Civil Aviation Authority of Singapore and a member of its Audit Committee. She was formerly a Board Member of Infocomm Development Authority of Singapore (now IMDA) and the Central Provident Fund Board.

Ms Yeo was conferred the Public Service Medal (P.B.M) in 2014 for her contributions to IMDA. In 2018, she was appointed as Justice of the Peace by the President of the Republic of Singapore. Ms Yeo continues to devote time to support the community and is on Singapore Prison's Board of Visiting Justice and Board of Inspection, as well as the Life Imprisonment Review Board, the President's Pleasure Review Board, and the Long Imprisonment Review Board. She holds a Master of Business Administration degree from Northumbria University.

Mr Pok Soy Yoong, Independent Non-Executive Director

Mr Pok Soy Yoong is an Independent Non-Executive Director and the Chairman of the Audit and Risk Committee of the MIT Manager.

Mr Pok Soy Yoong has over 30 years of experience working in the areas of Singapore direct tax and international tax. He is among the leading tax experts in Singapore on complex tax transactions and issues, and is particularly noted for his leading role in the creation of the taxation framework for REITs. Prior to his retirement from professional practice on 31 December 2008, Mr Pok was the Head of Tax with a Big Four accounting firm as well as a member of its Management Committee. He served as the Chief Operating Officer (Tax) of the firm's Far East Tax Practices, covering 15 countries. Since retirement, Mr Pok served as the lead technical editor of the authoritative book on Singapore taxation, The Law and Practice of Singapore Income Tax (1st and 2nd editions), and was the leader of this public-private sector collaborative project.

Mr Guy Daniel Harvey-Samuel, Independent Non-Executive Director

Mr Guy Daniel Harvey-Samuel is an Independent Non-Executive Director and a member of the Audit and Risk Committee of the MIT Manager.

Mr Harvey-Samuel is currently a Non-Executive Director of Surbana Jurong Private Limited, M1 Limited and Wing Tai Holdings Limited. Mr Harvey-Samuel is also Chairman of Capella Hotel Group Pte Ltd and of the Board of Trustees of the National Youth Achievement Awards Council, as well as member of the National Parks Board.

Mr Harvey-Samuel started his career with the HSBC Group in 1978 and held various senior management roles within the HSBC Group in the UK, Australia, Malaysia, Hong Kong SAR and Singapore. Mr Harvey-Samuel was the Chief Executive Officer of HSBC Singapore before his retirement in March 2017. He was previously a Non-Executive Director of JTC Corporation until 31 March 2021.

Dr Andrew Lee Tong Kin, Independent Non-Executive Director

Dr Andrew Lee Tong Kin is an Independent Non-Executive Director and a member of the Audit and Risk Committee of the MIT Manager.

Dr Lee is currently Associate Professor of Accounting Practice at Singapore Management University (SMU). Prior to joining SMU in 2003, Dr Lee held various senior analyst appointments in corporate banking, credit risk analysis, bond ratings, and structured credit products at DBS Bank, Standard & Poor's, UBS, and the former Banque Paribas. Dr Lee was also previously Senior Lecturer in Banking & Finance and Director of the Centre for Research in Financial Services at Nanyang Technological University (NTU) in Singapore. Between 2009 and 2011, he has served on the Accounting Standards Council of Singapore as well as the Pro-tem Singapore Accountancy Council's CFO Sub-Committee and Centre of Excellence Business Valuation Workgroup.

Dr Lee holds a PhD in accounting from New York University, and is a Fellow Chartered Accountant (FCA) and Chartered Valuer & Appraiser (CVA) of Singapore. He was conferred a Public Administration Medal (Bronze) at the 2014 National Day Awards in recognition of his dedication and service to Singapore's tertiary education sector.

Mr William Toh Thiam Siew, Independent Non-Executive Director

Mr William Toh Thiam Siew is an Independent Non-Executive Director and a member of the Audit and Risk Committee of the MIT Manager.

Mr Toh is also an Independent Investment Committee Member of Mapletree India China Fund Ltd., Mapletree China Opportunity Fund II Pte. Ltd. and Mapletree Global Student Accommodation Private Trust.

Mr Toh has more than 30 years of investment experience and was the Chief Investment Officer at Asia Life (2001-2006) and New Harbour Capital Partners (2007- 2018). He also served on the boards of Asia Life (M) Berhad, ST Asset Management Ltd. and Moris Rasik Foundation (incorporated in Timor Leste).

Mr Toh studied at the University of Tasmania, Australia on a Colombo Plan Scholarship and graduated with a First Class Honours degree in Mathematical Economics. He completed the CFA Investment Management Workshop jointly hosted by the CFA Institute and Harvard Business School.

Mr Andrew Chong Yang Hsueh, Independent Non-Executive Director

Mr Andrew Chong Yang Hsueh is an Independent Non-Executive Director and a member of the Nominating and Remuneration Committee of the MIT Manager.

Mr Chong has over 30 years of experience in the fields of strategy, management, marketing and engineering. Mr Chong serves on the Future Economy Manufacturing Sub-committee co-chaired by the Senior Minister of State for Trade and Industry. Mr Chong is a Board Member of the Ministry of Manpower's Workforce Singapore Agency (WSG), NTUC's Employment and Employability Institute (e2i) and the Advanced Manufacturing Training Academy (AMTA). He chairs the Board of the Singapore Semiconductor Industry Association (SSIA) and the Board of Governors of the Institute of Technical Education (ITE). He is active on the Board of a social enterprise in Singapore, and has held Board and advisory roles in several technology start-up companies.

Mr Chong received his Bachelor of Electronics Engineering in 1987 and his Master of Business Administration in 1993 from the University of Adelaide in South Australia. He was conferred a Medal of Commendation at the 2017 May Day Awards for promoting good industrial relations and initiating workers' training and skills upgrading programmes.

Mr Chua Tiow Chye, Non-Executive Director

Mr Chua Tiow Chye is a Non-Executive Director and a member of the Nominating and Remuneration Committee of the MIT Manager.

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

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

Prior to joining the Sponsor 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 (First Class Honours) from the University of Queensland in 1982.

Ms Wendy Koh Mui Ai, Non-Executive Director

Ms Wendy Koh Mui Ai is a Non-Executive Director of the MIT Manager.

Ms Koh is currently the Group Chief Financial Officer of the Sponsor. She oversees the Finance, Tax, and Treasury functions of the Sponsor. She holds various appointments within the Mapletree Group including as the Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Commercial Trust Management Ltd. (the Manager of Mapletree Commercial Trust) and Mapletree North Asia Commercial Trust Management Ltd. (the Manager of Mapletree North Asia Commercial Trust).

Prior to her current role, she was the Regional Chief Executive Officer, South East Asia (August 2014 to July 2019), heading the Sponsor's business in South East Asia and Head, Strategy and Research (2014), overseeing strategy, planning and research for the Sponsor. She was also previously engaged by the Sponsor as an advisor to review the Sponsor's strategy implementation from FY09/10 to FY13/14, and was involved in the formulation of its second five-year strategic plan.

Before joining the Sponsor, 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 (IPOs) 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 (CFA) from the CFA Institute.

Mr Michael Thomas Smith, Non-Executive Director

Mr Michael Thomas Smith is a Non-Executive Director of the MIT Manager.

Mr Smith, as Regional Chief Executive Officer of Europe and USA of the Sponsor, is responsible for new and existing businesses in Europe and the U.S. (excluding Group Lodging). He is also a member of the Singapore Stock Exchange Disciplinary Committee.

Prior to joining the Sponsor, Mr Smith was a partner at Goldman Sachs, heading the Southeast Asia investment banking business as well as the bank's Asia-Pacific (ex Japan) real estate business. As one of the pioneers of the Asian REIT industry, Mr Smith has been involved in numerous IPOs of REITs, including the IPOs of the four REITs of the Sponsor – namely Mapletree Logistics Trust, Mapletree Industrial Trust, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust which are listed on the Singapore Exchange Limited. He was also involved in various significant transactions of the Sponsor 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, he was the head of Asia (ex-Japan) Real Estate Investment Banking of UBS from 2000 to 2006.

Mr Tham Kuo Wei, Executive Director and Chief Executive Officer

Mr Tham Kuo Wei is both an Executive Director and the Chief Executive Officer of the MIT Manager.

Prior to joining the MIT Manager, he was the Deputy Chief Executive Officer (from August 2009) and Chief Investment Officer (from April 2008 to August 2009) of the Sponsor's Industrial Business Unit where he was responsible for structuring, setting up and managing real estate investment platforms in Singapore and the region.

Prior to this, Mr Tham was the Chief Investment Officer of CIMB-Mapletree Management Sdn. Bhd. in Malaysia from July 2005, and he was responsible for setting up and managing the private equity real estate fund. He was instrumental in securing investments from institutional investors in Malaysia and overseas. He was also responsible for sourcing and acquiring completed assets as well as managing development projects across the office, retail, industrial and residential sectors.

Before Mr Tham's secondment to CIMB-Mapletree Management Sdn. Bhd., he was Senior Vice President of Asset Management in the Sponsor and was responsible for the Sponsor's portfolio of Singapore commercial, industrial and residential assets. He joined the Sponsor in June 2002 as the Project Director for its new Business and Financial Centre project at the New Downtown in Singapore. Prior to joining the Sponsor, Mr Tham held various positions in engineering and logistics management in PSA Corporation from 1993 to 2002.

Mr Tham holds a Bachelor of Engineering (Honours) degree from the National University of Singapore.

MANAGEMENT TEAM OF THE MIT MANAGER

Mr Tham Kuo Wei, Executive Director and Chief Executive Officer

Mr Tham Kuo Wei is the Executive Director and the Chief Executive Officer of the MIT Manager. Please refer to his profile under the section "*Directors of the MIT Manager*" above.

Ms Ler Lily, Chief Financial Officer

Ms Ler Lily is the Chief Financial Officer of the MIT Manager. Ms Ler is responsible for financial reporting, budgeting, treasury and taxation matters.

Prior to joining the MIT Manager, Ms Ler was the Head of Treasury and Investor Relations at Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust) where she led the treasury team in treasury risk management, debt and capital management and oversaw the investor relations function since September 2009. She served in different roles within the Sponsor after joining in September 2001. Her last held position with the Sponsor was Vice President (Treasury).

Prior to joining the Sponsor, Ms Ler worked in Asia Food & Properties Limited for about four years and also spent three years as an external auditor with Deloitte & Touche LLP in Singapore.

Ms Ler holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University, Singapore. She is a CFA charterholder and also a Chartered Accountant of Singapore.

Mr Peter Tan Che Heng, Head of Investment

Mr Peter Tan Che Heng is the Head of Investment of the MIT Manager. Mr Tan is responsible for the development of investment strategies as well as the sourcing and execution of new investment opportunities with a view to enhancing MIT's portfolio returns.

Mr Tan has more than 20 years of experience in real estate investment, development management, asset management and business development across different geographies.

Prior to joining the MIT Manager, Mr Tan was Head of Investment, Industrial of the Sponsor where he was instrumental in the acquisition and development of the Sponsor's industrial assets in Singapore and the region. He was a key member of the investment team for the pan-Asia Mapletree Industrial Fund, which closed its investment period in 2009 with investments in Singapore, Malaysia, Japan and China.

Before joining the Sponsor in 2006, Mr Tan held various positions at Ascendas Services Pte Ltd and Boustead Projects Pte Ltd, where he was responsible for business development, development management and asset management of industrial facilities in Singapore and the region for approximately six years.

Mr Tan holds a Bachelor of Science (Building) (Honours) degree from the National University of Singapore.

Ms Serene Tam Mei Fong, Head of Asset Management

Ms Serene Tam Mei Fong is the Head of Asset Management of the MIT Manager. Ms Tam is responsible for formulating and executing strategies to maximise income from the assets.

Ms Tam has been with the MIT Manager since MIT was listed in 2010. Her last appointment was Vice President of the Asset Management team, where she was responsible for the operational performance of properties under her charge. Before joining the MIT Manager, Ms Tam was a Senior Asset Manager of the Sponsor, where she was responsible for managing the industrial properties in the MIT Private Trust portfolio. She was part of the team responsible for the acquisition of the MIT Private Trust portfolio of 64 properties from JTC Corporation in 2008.

Prior to joining the Sponsor in 2007, Ms Tam had worked at Jones Lang LaSalle Property Consultants Pte Ltd and JTC Corporation in the areas of marketing, development and portfolio management of offices and logistics facilities in Singapore and the region for about seven years.

Ms Tam holds a Bachelor of Business (Financial Analysis) (Honours) degree from the Nanyang Technological University, Singapore.

Mr Wan Kwong Weng, Joint Company Secretary

Mr Wan is the Joint Company Secretary of the MIT Manager as well as the other three Mapletree REIT managers, and concurrently Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, as well as corporate communications, human resource and administration across all business units and countries. In addition, Mr Wan is the Secretary and a Member of the Singapore Management University Real Estate Programme Advisory Board.

Prior to joining the Sponsor, 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 conferred the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). He was also conferred the Public Service Medal (P.B.M.) in 2012 and Public Service Star (B.B.M.) in 2017 for his contributions to Central Singapore CDC.

Ms See Hui Hui, Joint Company Secretary

Ms See Hui Hui is the Joint Company Secretary of the MIT Manager as well as the Director, Legal of the Sponsor.

Prior to joining the Sponsor in 2010, Ms See was in the Corporate/Mergers & Acquisitions practice group of WongPartnership LLP, one of the leading law firms in Singapore. She started her career as a litigation lawyer with Tan Kok Quan Partnership.

Ms See holds an LL.B (Honours) from the National University of Singapore, and is admitted to the Singapore Bar.

Mr Tan Wee Seng, Group Chief Development Officer

Mr Tan Wee Seng is the Group Chief Development Officer of the Sponsor. Mr Tan oversees the execution of all development projects, including asset enhancement initiatives undertaken within the Sponsor across all business units and countries.

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

Mr Tan holds a Bachelor of Science (Building) degree from the National University of Singapore.

Ms Chng Siok Khim, Head of Marketing, Singapore

Ms Chng Siok Khim is the Head of Marketing of the Singapore Property Manager. Ms Chng is responsible for developing and executing marketing strategies as well as overseeing the lease management for MIT's Properties in Singapore. She contributes to the product repositioning of the asset enhancement initiatives for MIT's Properties in Singapore.

Ms Chng has over 25 years of marketing experience in the industrial, office, retail and logistics sectors. Prior to her current appointment, Ms Chng was overseeing the marketing of the Sponsor's office, retail and logistics properties. She was primarily responsible for the successful pre-leasing of Bank of America Merrill Lynch HarbourFront in 2007.

Before joining the Sponsor in 2004, Ms Chng was the Associate Director, Business Space with DTZ Debenham Tie Leung for nine years. She was responsible for managing all aspects of the department's marketing functions, which included leasing and sales activities, accounts servicing and sole agency project marketing.

Ms Chng holds a Bachelor of Science (Estate Management) (Honours) degree from the National University of Singapore.

Mr Paul Tan Tzyy Woon, Head of Property Management, Singapore

Mr Paul Tan Tzyy Woon is the Head of Property Management of the Singapore Property Manager. Mr Tan oversees the property management functions for MIT's Properties in Singapore, ensuring that all the properties are safe, reliable and conducive for tenants to work in.

Prior to his current appointment, Mr Tan was a Senior Asset Manager of the MIT Manager, where he was responsible for optimising the performance of MIT's properties under his charge. Before joining the MIT Manager, Mr Tan was the Senior Manager (Corporate Marketing/Development Management) of the Sponsor where he was responsible for the marketing of an overseas project and asset management of the Singapore properties under the pan-Asia Mapletree Industrial Fund.

Prior to joining the Sponsor in 2008, Mr Tan had worked at JTC Corporation and the Urban Redevelopment Authority where he was involved in the planning, marketing, sale and development of lands in Singapore.

Mr Tan holds a Bachelor of Science (Estate Management) (Honours) degree from the National University of Singapore. He passed Level III of the Chartered Financial Analyst Programme in 2009.

TAXATION

The first two paragraphs of the section "TAXATION" and the sub-section headed "*Taxation – Singapore Taxation*" of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

TAXATION

The statements below are general in nature and are based on current income tax laws in Singapore, administrative guidelines and circulars issued by the relevant tax authorities in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Perpetual Securities or of any person acquiring, selling or otherwise dealing with the Perpetual Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Perpetual Securities. The statements made herein do not purport to be a comprehensive nor exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Perpetual Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Perpetual Securities are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership of or disposal of the Perpetual Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuer, the Sole Lead Manager and any other persons involved in the Programme or the issue and offer of the Perpetual Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Perpetual Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and tax exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of the Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or tax exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

SINGAPORE TAXATION

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As the Programme as a whole was jointly arranged by DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, each of which was a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Perpetual Securities (the **Relevant Securities**) issued as debt securities under the Programme would be qualifying debt securities (**QDS**) for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant

Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the **Qualifying Income**) from the Relevant Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA), is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the MIT Manager, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the MIT Manager, Qualifying Income derived from such Relevant Securities held by:

(I) any related party of the Issuer or the MIT Manager; or

(II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the MIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term **related party**, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms **prepayment fee**, **redemption premium** and **break cost** are defined in the ITA as follows:

prepayment fee, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

redemption premium, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

break cost, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to prepayment fee, redemption premium and break cost in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Characterisation of the Perpetual Securities

The ITA currently does not contain specific provisions on the Singapore income tax treatment of hybrid instruments (i.e. financial instruments that exhibit both debt-like and equity-like features). However, the IRAS has issued a circular entitled Income Tax Treatment of Hybrid Instruments (the **Hybrid Instruments Circular**) which provides guidance on the factors taken into consideration when determining whether a hybrid instrument is to be treated as a debt or equity instrument for Singapore income tax purposes and the corresponding income tax treatment.

Based on the Hybrid Instruments Circular, the first step in determining the characterization of a hybrid instrument is to determine its legal form, which involves an examination of the legal rights and obligations created by the instrument. A hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer.

If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors would be examined, which include (but are not limited to):

(a) the nature of interest acquired;

(b) investor's right to participate in the issuer's business;

(c) voting rights conferred by the instrument;

(d) obligation to repay the principal amount of the instrument;

(e) payout;

(f) investor's right to enforce payment;

(g) classification by other regulatory authority; and

(h) ranking for repayment in the event of liquidation or dissolution.

As further provided in the Hybrid Instruments Circular:

(a) if a hybrid instrument is characterised as a debt instrument for Singapore income tax purposes, distributions from the issuer to the investor are regarded as interest; and

(b) if a hybrid instrument issued by a company or a REIT is characterised as an equity instrument for Singapore income tax purposes, distributions from the issuer to the investors are regarded as either dividends or REIT distributions. In respect of REIT distributions, such distributions are taxable in the hands of the instrument holders being returns on investments, regardless of the underlying receipts from which such distributions are made.

In the event that a tranche of the Perpetual Securities is characterised as debt instruments for Singapore income tax purposes, payments of interest or distributions (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts, if applicable) should be regarded as interest payments.

Accordingly, please see the section "Interest and other payments" on the Singapore income tax treatment that may be applicable on the interest or distributions (including Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts, if applicable) in respect of such Perpetual Securities. In this regard, where interest (including distributions which are regarded as interest), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from such Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest), discount income, prepayment fee, redemption premium or break cost derived from such Perpetual Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

In the event that a tranche of the Perpetual Securities is characterised as equity instruments for Singapore income tax purposes, the distributions thereon should be treated as distributions on an equity instrument, which are taxable in the hands of holders of such tranche of the Perpetual Securities being returns on investments, regardless of the underlying receipts from which such distributions are made. The Issuer may also be obliged (in certain circumstances) to withhold tax on such payments.

In addition, any Additional Distribution Amounts (if applicable) in respect of such Perpetual Securities, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, may be subject to withholding tax on the basis that they may be regarded as interest in nature. Please see the section "Interest and other payments" on the applicable withholding tax rates.

Capital gains

Any gains considered to be in the nature of capital made from the sale of the Perpetual Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Perpetual Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Perpetual Securities who apply or who are required to apply Singapore Financial Reporting Standard (**FRS**) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (**SFRS(I) 9**) (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Perpetual Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore income tax purposes".

Adoption of FRS 39, FRS 109 and SFRS(I) 9 for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-Tax Guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-Tax Guide entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments (Second Edition)".

Holders of the Perpetual Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Perpetual Securities.

Estate duty

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

CLEARING AND SETTLEMENT

The sub-section headed "Clearing and Settlement – *Clearance and Settlement under the Depository System*" of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

In respect of Perpetual Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (**Depository System**) maintained by CDP. Perpetual Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Perpetual Securities which are accepted for clearance by CDP, the entire issue of the Perpetual Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Perpetual Securities in securities accounts with CDP (**Depositors**). Delivery and transfer of Perpetual Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Perpetual Securities through the Depository System may only be effected through securities sub-accounts held with corporate depositors (**Depository Agents**). Depositors holding the Perpetual Securities in direct securities accounts with CDP, and who wish to trade Perpetual Securities through the Depository System, must transfer the Perpetual Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of distribution and repayment of principal on behalf of issuers of debt securities. Although CDP has established procedures to facilitate transfer of interests in the Perpetual Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SUBSCRIPTION AND SALE

The sub-section headed "Subscription and Sale – *European Economic Area (including the United Kingdom)*", "*Subscription and Sale – Prohibition of Sales to EEA Retail Investors*" and "*Subscription and Sale – United Kingdom*" of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

European Economic Area and United Kingdom

The Sole Lead Manager has represented and agreed that no offers or sales of the Perpetual Securities will be made in, or to any person domiciled in, or having their registered office located in, any member of the European Economic Area or in the United Kingdom.

The sub-section headed "*Subscription and Sale – Singapore*" of the Offering Circular shall be deleted in its entirety and replaced with the following:

Singapore

The Sole Lead Manager has acknowledged that this Supplemental Offering Circular and the Original Offering Circular have not been registered as a prospectus with the MAS. Accordingly, the Sole Lead Manager has represented and agreed that this Supplemental Offering Circular and the Original Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Perpetual Securities have not been and will not be circulated or distributed, nor the Perpetual Securities offered or sold, or made the subject of an invitation for subscription for or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Perpetual Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Perpetual Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

PRICING SUPPLEMENT IN RELATION TO PERPETUAL SECURITIES

PRICING SUPPLEMENT

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS AMENDED OR MODIFIED FROM TIME TO TIME (SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A of the SFA) of the classification of the Perpetual Securities as "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

3 May 2021

DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF MAPLETREE INDUSTRIAL TRUST)

Legal Entity Identifier: 549300R7WZFHXNKDJF41

Issue of S$300,000,000 3.15 per cent. Fixed Rate Perpetual Securities (the **Perpetual Securities)**

under the S$2,000,000,000 Euro Medium Term Securities Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 5 September 2018, as supplemented by the Supplemental Offering Circular dated 3 May 2021 (together, the **Offering Circular**). This document constitutes the Pricing Supplement of the Perpetual Securities described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

An advance tax ruling will be requested from the Inland Revenue Authority of Singapore (**IRAS**) to confirm, amongst other things, whether the IRAS would regard the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**) and the distributions made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "Taxation – Singapore Taxation" of the Offering Circular provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by the IRAS for the purpose of the ruling request, and a ruling may not therefore be issued. If the Perpetual Securities are not regarded as debt securities for the purposes of the ITA, the distributions made under the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions and exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them. Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Perpetual Securities.

Where interest (including distributions which are regarded as interest for Singapore tax income purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA, shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore tax income purposes), discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

1.	(a)	Issuer:	DBS Trustee Limited (in its capacity as trustee of Mapletree Industrial Trust)
	(b)	Guarantor:	Not Applicable
2.	(a)	Series Number:	002
	(b)	Tranche Number:	001
	(c)	Date on which the Perpetual Securities will be consolidated and form a single Series:	Not Applicable
3.		Specified Currency or Currencies:	Singapore dollar (**S$** or **SGD**)
4.		Aggregate Nominal Amount:	
	(a)	Series:	S$300,000,000
	(b)	Tranche:	S$300,000,000
5.	(a)	Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(b)	Private banking rebates:	Applicable
6.	(a)	Specified Denominations:	S$250,000
	(b)	Calculation Amount:	S$250,000
7.	(a)	Issue Date:	11 May 2021
	(b)	Distribution Commencement Date:	Issue Date
8.		Distributions:	
	(i)	Rate of Distribution:	3.15 per cent. Fixed Rate (further particulars specified below)
	(ii)	Distribution Deferral:	Applicable
	(iii)	Cumulative Deferral:	Not Applicable
	(iv)	Non-Cumulative Deferral:	Applicable
	(v)	Optional Payment:	Applicable
	(vi)	Additional Distribution:	Not Applicable
	(vii)	Dividend Pusher:	Not Applicable
	(viii)	Dividend Stopper:	Applicable

9. Redemption/Payment Basis:	Redemption for Taxation Reasons Redemption for Accounting Reasons Redemption Upon a Ratings Event Redemption for Tax Deductibility Event Redemption upon a Regulatory Event Redemption at the Option of the Issuer Minimum Outstanding Amount Redemption Option
10. Early Redemption Amount(s) payable on redemption and/or the method of calculating the same:	S$250,000 per Calculation Amount
11. Change of Redemption/Payment Basis:	Not Applicable
12. (a) Status of the Perpetual Securities:	Subordinated
(b) Status of the Guarantee:	Not Applicable
13. Listing:	SGX-ST
14. Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

15. **Fixed Rate Perpetual Security Provisions**	Applicable
(a) Rate of Distribution:	From and including the Issue Date to but excluding the First Reset Date, 3.15 per cent. per annum (the **Initial Rate of Distribution**) and, thereafter, at the Reset Rate of Distribution calculated in accordance with Conditions 4.1(b) and 4.1(c), payable semi-annually in arrear
(b) Step-Up:	Not Applicable
(c) Reset:	Applicable
(i) First Reset Date:	11 May 2026
(ii) Reset Date(s):	Subject to Condition 4.1(e)(i), the First Reset Date and each date falling every five calendar years after the First Reset Date. For the avoidance of doubt, notwithstanding any adjustment to any Original Reset Date (as defined in Condition 4.1(e)(i)) in accordance with Condition 4.1(e)(i), the immediately following Reset Date shall fall on the date falling five calendar years after such Original Reset Date, and not the Adjusted Reset Date.

(iii)	Reset Period:	Subject to Condition 4.1(e)(i), five calendar years, being the period from and including the First Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date.
(iv)	Relevant Rate:	**Singapore Dollar Swap Offer Rate**, being the rate in per cent. per annum notified by the Calculation Agent to the Issuer equal to the average of the rate appearing under the column headed "Ask" for a maturity of five years which appears on the Bloomberg Screen TPIS Page under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time) published at the close of business on the Reset Determination Date; provided that, in the event such rate is zero or negative, the Swap Offer Rate shall be deemed to be zero per cent. per annum. If such rate does not appear on the Bloomberg Screen TPIS Page (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time) on any such Singapore Business Day, the rate for that Singapore Business Day will be any substitute rate announced by the Association of Banks in Singapore. **Reset Determination Date** means the second Singapore Business Day prior to each Reset Date. Benchmark Discontinuation and Replacement, as set out in Condition 4.1(e), applies. Please refer to the Annex to this Pricing Supplement.
(v)	Initial Spread:	2.082 per cent. per annum
(vi)	Step-Up Margin:	Not Applicable

(d)	Distribution Payment Date(s):	11 May and 11 November in each year
(e)	Fixed Coupon Amount(s):	Not Applicable
(f)	Broken Amount(s):	Not Applicable
(g)	Day Count Fraction:	Actual/365 (Fixed)

(h)	Determination Date(s):	Not Applicable
(i)	Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Securities:	Please refer to the Annex to this Pricing Supplement.
16.	**Floating Rate Perpetual Security Provisions**	Not Applicable
17.	**Index Linked Distribution Perpetual Security Provisions**	Not Applicable
18.	**Dual Currency Distribution Perpetual Security Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19.	Redemption for Accounting Reasons:	Applicable
20.	Redemption at the Option of the Issuer:	Applicable
	(a) Optional Redemption Date(s):	11 May 2026 and every Distribution Payment Date thereafter
	(b) If redeemable in part:	
	(i) Minimum Redemption Amount:	Not Applicable
	(ii) Maximum Redemption Amount:	Not Applicable
21.	Redemption Upon a Ratings Event:	Applicable
	(a) Rating Agency(ies):	Fitch
22.	Redemption for Tax Deductibility Event:	Applicable
23.	Redemption Upon a Change of Control Event:	Not Applicable
24.	Redemption Upon a Regulatory Event:	Applicable
25.	Minimum Outstanding Amount Redemption Option:	Applicable

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

26.	Form of Perpetual Securities:	Regulation S Registered Global Perpetual Security (S$300,000,000 nominal amount) registered in the name of CDP
27.	Governing Law of Perpetual Securities:	Singapore Law
28.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable

29.	Offshore Renminbi Centre(s):	Not Applicable
30.	Talons for future Coupons to be attached to Definitive Perpetual Securities (and dates on which such Talons mature):	Not Applicable
31.	Details relating to Partly Paid Perpetual Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Perpetual Securities and interest due on late payment:	Not Applicable
32.	Consolidation provisions:	Consolidation not applicable
33.	Parity Obligations:	As defined in limb (ii) of "Parity Obligation" in Condition 20.
34.	Junior Obligations:	As defined in limb (ii) of "Junior Obligation" in Condition 20.
35.	Other terms:	Please refer to the Annex to this Pricing Supplement

DISTRIBUTION

36.	(a) If syndicated, names of Managers:	Not Applicable
	(b) Date of Subscription Agreement:	3 May 2021
	(c) Stabilising Manager(s) (if any):	Not Applicable
37.	If non-syndicated, name of relevant Dealer:	Oversea-Chinese Banking Corporation Limited
38.	U.S. Selling Restrictions:	Reg. S Compliance Category 1; TEFRA not applicable
39.	Additional selling restrictions:	Not Applicable
40.	Prohibition of Sales to EEA Retail Investors:	Applicable
41.	Prohibition of Sales to UK Retail Investors:	Applicable

OPERATIONAL INFORMATION

42.	ISIN Code:	To be obtained
43.	Common Code:	To be obtained
44.	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream:	CDP

45.	Delivery:	Delivery free of payment
46.	Names and addresses of additional Paying Agent(s) (if any):	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as the Calculation Agent
47.	Registrar:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
48.	Ratings:	The Perpetual Securities to be issued will be rated BBB- by Fitch

LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Perpetual Securities described herein pursuant to the S$2,000,000,000 Euro Medium Term Securities Programme of DBS Trustee Limited (in its capacity as trustee of Mapletree Industrial Trust) and Mapletree Industrial Trust Treasury Company Pte. Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF MAPLETREE INDUSTRIAL TRUST):**

By: . . . .
Duly authorised

By: . . . .
Duly authorised

ANNEX

The following provisions shall be included in the Conditions in respect of the Perpetual Securities as a new Condition 4.1(e):

"(e) Benchmark Discontinuation and Replacement

(i) Independent Adviser

Notwithstanding the provisions above in this Condition 4.1, if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Reset Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4.1(e)(ii)) and an Adjustment Spread, if any (in accordance with Condition 4.1(e)(iii)), and any Benchmark Amendments (in accordance with Condition 4.1(e)(iv)) by the relevant Reset Determination Date. An Independent Adviser appointed pursuant to this Condition 4.1(e)(i) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, the Securityholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.1(e).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Reset Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4.1(e)(ii)) and an Adjustment Spread if any (in accordance with Condition 4.1(e)(iii)) and any Benchmark Amendments (in accordance with Condition 4.1(e)(iv)).

If the Issuer is unable to determine the Benchmark Replacement prior to the relevant Reset Determination Date in respect of a Reset Date (the **Original Reset Date**), the Rate of Distribution applicable to the next succeeding Fixed Distribution Period falling immediately after the Original Reset Date shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Fixed Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. The foregoing shall apply to the relevant next Fixed Distribution Period falling immediately after the Original Reset Date only and any subsequent Fixed Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4.1(e)(i), and such relevant Reset Date shall be adjusted so that it falls on the Distribution Payment Date immediately after the Original Reset Date (the **Adjusted Reset Date**). For the avoidance of doubt, this paragraph shall apply, *mutatis mutandis*, to each Adjusted Reset Date until the Benchmark Replacement is determined in accordance with this Condition 4.1(e)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) shall (subject to adjustment as provided in Condition 4.1(e)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4.1).

(iii) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.1(e)(v), without any requirement for the consent or approval of Securityholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by a director or an authorised signatory of the Issuer pursuant to Condition 4.1(e)(v), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the reasonable opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4.1(e). Securityholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4.1(e)(iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.1(e) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 4.1(e), the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by a director or an authorised signatory of the Issuer:

(1) confirming (x) that a Benchmark Event has occurred, (y) the Benchmark Replacement and, (z) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4.1(e); and

(2) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Issuing and Paying Agent and the Securityholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4.1(e)(i), 4.1(e)(ii), 4.1(e)(iii) and 4.1(e)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4.1(e) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4.1(e)(v).

(vii) Definitions

As used in this Condition 4.1(e):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or

(2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines in accordance with Condition 4.1(e)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of interest or distribution (or the relevant component part thereof) for the same interest or distribution period and in the same currency as the Perpetual Securities (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Fixed Distribution Period", timing and frequency of determining rates and making payments of distribution, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Fixed Distribution Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines is reasonably necessary);

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least five Singapore business days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or

(5) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate; or

(6) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (6) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Reset Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be):

(1) Term SORA;

(2) Compounded SORA;

(3) the Successor Rate;

(4) the ISDA Fallback Rate (including Fallback Rate (SOR)); and

(5) the Alternative Rate.

"**Compounded SORA**" means the compounded average of SORAs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with the selected mechanism to determine the distribution or other amount payable prior to the end of the relevant Fixed Distribution Period) being established by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) in accordance with

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Nominating Body for determining Compounded SORA; provided that:

(2) if, and to the extent that, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) determines that Compounded SORA cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) giving due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated securities at such time.

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Fallback Rate (SOR)**" has the meaning ascribed to it in the 2006 ISDA Definitions as amended and supplemented by Supplement number 70, published on 23 October 2020;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4.1(e)(i);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which maybe positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Original Reference Rate**" means, initially, Singapore Swap Offer Rate (being the originally-specified reference rate of applicable tenor used to determine the Rate of Distribution) or any component part thereof, including the relevant USD London Interbank Offered Rate, provided that if a Benchmark Event has occurred with respect to Singapore Swap Offer Rate or the then-current Original Reference Rate, then "Original Reference Rate" means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof;

"**SORA**" or "**Singapore Overnight Rate Average**" with respect to any Singapore Business Day means a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor; and

"**Term SORA**" means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been selected or recommended by the Relevant Nominating Body, or as determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.1(e)(i)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated securities."

Condition 4.1(c) in respect of the Perpetual Securities shall be deleted in its entirety and replaced with the following:

"The Calculation Agent shall, on the second Singapore Business Day prior to each Reset Date, determine the applicable Reset Rate of Distribution in respect of each Perpetual Security, and cause the applicable Reset Rate of Distribution to be notified to the Issuer as soon as possible after their determination but in no event later than the fourth Singapore Business Day thereafter. Upon such notification, the Issuer shall cause the Reset Rate of Distribution in respect of each Perpetual Security to be notified to the Issuing and Paying Agent, the Securityholders and any stock exchange on which the relevant Fixed Rate Perpetual Securities are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after being notified by the Calculation Agent but in no event later than the fourth Singapore Business Day thereafter.

For the avoidance of doubt, if for any reason at any relevant time the Calculation Agent is unable to fulfil its obligation to determine the Reset Rate of Distribution in accordance with this Condition 4.1(c), the Calculation Agent shall be entitled to resign as calculation agent by giving at least 90 days' (or such other period as may be agreed with the Issuer) written notice to the Issuer and the Trustee, specifying the date on which its resignation shall be effective.

For the purposes of this paragraph, the expression **Singapore Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for general business in Singapore. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation for the purposes of this Condition 4.1(c) by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be final and binding upon all parties."

Condition 13 in respect of the Perpetual Securities shall be deleted in its entirety and replaced with the following:

"All notices regarding the Registered Perpetual Securities will be deemed to be validly given if (a) sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing or (b) for so long as the Registered Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com and such notice shall be deemed to have been given on the date of publication of such notice on the website of the SGX-ST. In addition, for so long as any Registered Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of CDP, be substituted for such publication in such newspaper(s) or such mailing (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Perpetual Securities, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, or (C) for so long as the Perpetual Securities are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Perpetual Securities on (x) the day after the day on which the said notice was given to CDP, and/or (y) the date of the despatch of such notice to the persons shown in the records maintained by CDP and/or (z) (in the case of Perpetual Securities cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any Perpetual Security in definitive form) with the relative Perpetual Security or Perpetual Securities, with the Registrar. Whilst any of the Perpetual Securities are represented by a Global Perpetual Security, such notice may be given by any holder of a Perpetual Security to the Issuing and Paying Agent or the Registrar through CDP in such manner as the Registrar and/or the CDP as the case may be, may approve for this purpose."

GENERAL INFORMATION

(1) Application will be made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in, and for a quotation of, the Perpetual Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Perpetual Securities on the SGX-ST are not to be taken as an indication of the merits of the Issuer, MIT, the Programme or the Perpetual Securities. The Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of S$250,000.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Perpetual Securities. The issue of the Perpetual Securities was authorised by resolutions of the Board of Directors of the Issuer passed on 2 May 2019, with variations made to the list of signatories on 5 July 2019, 1 April 2020 and 15 September 2020, and an amendment to the signing mandate dated 23 November 2020.

(3) Except as disclosed in this Supplemental Offering Circular, there has been no material adverse change in the financial position of MIT or the Group since 31 March 2020.

(4) There are no legal or arbitration proceedings pending or threatened against the Issuer, MIT or any of their respective subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Supplemental Offering Circular a material adverse effect on the financial position of the Issuer, MIT or the Group.

(5) The following documents will be available, at all reasonable times during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the principal place of business of the Trustee and the specified office of the Issuing and Paying Agent and at the registered office of the MIT Manager, the addresses of which, as of the date of this Supplemental Offering Circular, are set out at the end of this Supplemental Offering Circular:

(i) the Trust Deed and the Agency Agreement;

(ii) the Constitution of the Issuer;

(iii) the MIT Trust Deed;

(iv) the most recently published audited consolidated annual financial statements of MIT (if published) and the most recently published unaudited interim financial statements (if any) of MIT, together with any audit or review reports prepared in connection therewith;

(v) the Pricing Supplement; and

(vi) a copy of the Original Offering Circular and this Supplemental Offering Circular,

subject (a) in the case of the documents mentioned in (ii), (iii), (iv), (v) and (vi), to the same having first been provided by the MIT Manager to the Trustee and the Principal Paying Agent and (b) in the case of the Trust Deed and the Agency Agreement, to the same having first been provided by the Issuer to the Principal Paying Agent.

(6) PricewaterhouseCoopers LLP has given and has not withdrawn its written consents to the issue of this Supplemental Offering Circular for the inclusion herein of (i) its name; and (ii) its Independent Auditor's Reports on the audited financial statements for the years ended 31 March 2018, 2019 and 2020, in the form and context in which they appear in this Supplemental Offering Circular.

INDEX TO FINANCIAL STATEMENTS

Note: The audited consolidated financial statements set out herein have been reproduced from the Group's annual reports for the financial years ended 31 March 2018, 2019 and 2020, and page references are to pages set forth in such annual report. The audited consolidated financial statements have not been specifically prepared for inclusion in this supplemental offering circular.

mapletree industrial

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 29 January 2008 (as amended))

MAPLETREE INDUSTRIAL TRUST UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 31 MARCH 2021 AND FULL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021

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MAPLETREE INDUSTRIAL TRUST UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2021 TO 31 MARCH 2021 AND FULL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021

Summary Results of Mapletree Industrial Trust Group[1] ("MIT Group")

	4QFY20/21	3QFY20/21	Variance %	4QFY19/20	Variance %
Gross revenue (S$'000)[2]	121,062	123,685	(2.1)	101,801	18.9
Net property income (S$'000)[2]	91,808	98,929	(7.2)	78,256	17.3
Amount available for distribution (S$'000)[2]	70,748	81,074	(12.7)	69,153	2.3
No. of units in issue ('000)	2,351,158	2,350,697	*	2,201,002	6.8
Distribution per unit (cents)	3.30[3]	3.28	0.6	2.85[4]	15.8

	FY20/21	FY19/20	Variance %
Gross revenue (S$'000)[2]	447,203	405,858	10.2
Net property income (S$'000)[2]	350,991	318,069	10.4
Amount available for distribution (S$'000)[2]	295,264	265,337	11.3
No. of units in issue ('000)	2,351,158	2,201,002	6.8
Distribution per unit (cents)	12.55	12.24[4]	2.5

* Percentage is less than 0.1%

Footnotes:

1 MIT Group comprises Mapletree Industrial Trust ("MIT") and its wholly owned subsidiaries.

2 Gross revenue and net property income do not include MIT's interests in the North American joint ventures with Mapletree Investments Pte Ltd ("MIPL"), as these are equity accounted. Amount available for distributions includes distributions declared by the joint ventures. With effect from 1 September 2020, upon completion of the acquisition of remaining 60.0% interest in the 14 data centres located in the United States of America, interest previously held through one of the joint ventures – Mapletree Redwood Data Centre Trust ("MRDCT") has been consolidated.

3 Includes tax-exempt income amounting to S$7.1 million (equivalent to distribution per unit of 0.30 cent) which was previously withheld.

4 Tax-exempt income of S$6.6 million (equivalent to DPU of 0.30 cent) was withheld.

Introduction

MIT is a real estate investment trust listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

With effect from 1 April 2020, the Manager has reclassified Data Centres as a standalone property segment to reflect its growth within the portfolio. These properties, which were previously classified within the Hi-Tech Buildings, have been reclassified to the Data Centres - namely 7 Tai Seng Drive, 19 Tai Seng Drive, 26A Ayer Rajah Crescent, Mapletree Sunview 1, STT Tai Seng 1 and the 27 data centres in North America (including 13 data centres held through joint venture with MIPL). The remaining high-specification industrial buildings in Singapore will continue to be classified as Hi-Tech Buildings.

On 1 September 2020, MIT completed the acquisition of the remaining 60.0% interest in 14 data centres located in the United States of America, previously held by MRDCT, for a purchase consideration of US$215.3 million (approximately S$292.8 million[1]).

On 12 March 2021, MIT, through its wholly-owned subsidiary, acquired a data centre located in Virginia, the United States of America for a purchase consideration of US$207.8 million (approximately S$282.6 million[1]).

As at 31 March 2021, MIT's total assets under management was S$6.8 billion, which comprised 87 properties in Singapore and 28 properties in North America (including 13 data centres held through the joint venture with MIPL). MIT's property portfolio includes Data Centres (Singapore), Data Centres (North America), Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT's distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially rental income from the letting of its properties and related property services income after deduction of allowable expenses, as well as interest income from the periodic placement of cash surpluses in bank deposits.

[1] Based on the exchange rate of US$1.00 to S$1.36.

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement

Consolidated Statement of Profit or Loss	4Q FY20/21 (S$'000)	4Q FY19/20 (S$'000)	Variance %	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance %
Gross revenue	121,062	101,801	18.9	447,203	405,858	10.2
Property operating expenses (Note A)	(29,254)	(23,545)	24.2	(96,212)	(87,789)	9.6
Net property income	**91,808**	**78,256**	**17.3**	**350,991**	**318,069**	**10.4**
Interest income	(4)	339	**	244	2,634	(90.7)
Borrowing costs (Note B)	(14,797)	(11,029)	34.2	(52,888)	(45,019)	17.5
Manager's management fees						
- Base fees	(7,088)	(5,590)	26.8	(26,421)	(22,473)	17.6
- Performance fees	(3,299)	(2,815)	17.2	(12,641)	(11,457)	10.3
Trustee's fees	(194)	(170)	14.1	(741)	(642)	15.4
Other trust expenses	(627)	(382)	64.1	(2,058)	(1,524)	35.0
Net foreign exchange (loss)/gain	(1,025)	433	**	(668)	307	**
Net fair value (loss)/gain on investment properties and investment property under development (Note C)[1]	(87,083)	50,798	**	(87,083)	50,798	**
Effects from deemed disposal of investments in joint venture[1]	-	-	-	(15,662)	-	**
Share of joint ventures' results[2]	9,204	60,897	(84.9)	44,797	76,506	(41.4)
- Net profit after tax	*9,274*	*13,619*	(31.9)	*44,867*	*29,228*	*53.5*
- Net fair value (loss)/gain on investment properties	*(70)*	*47,278*	**	*(70)*	*47,278*	**
(Loss)/profit for the period/year before income tax	**(13,105)**	**170,737**	**	**197,870**	**367,199**	**(46.1)**
Income tax expense	(32,697)	(7)	>100.0	(33,373)	(56)	>100.0
- Current income tax	*(345)*	*(7)*	*>100.0*	*(826)*	*(56)*	*>100.0*
- Deferred tax[4]	*(32,352)*	-	**	*(32,547)*	-	**
(Loss)/profit for the period/year after income tax	**(45,802)**	**170,730**	**	**164,497**	**367,143**	**(55.2)**

Footnotes:

1 This relates to the net change in the property values arising from independent valuation carried out as at 31 March 2021.

2 Effects from deemed disposal of investments in joint venture refer to remeasurement of the Group's 40% equity interest in MRDCT to its fair value at acquisition date. This is in accordance with the accounting standards where the carrying amount of investment is remeasured to its fair value and amounts previously recognized in other comprehensive income are reclassified to the Consolidated Statement of Profit or Loss.

3 Share of joint ventures' results relates to MIT's equity interest in the joint ventures with MIPL. The results of the joint ventures were equity accounted at the Group level. With effect from 1 September 2020, upon completion of the acquisition of the remaining 60.0% interest, financial results of the 14 data centres in the United States previously held under MRDCT has been consolidated.

4 Relates to deferred tax expense recognised on respective investment properties in North America, previously held under MRDCT, in accordance to the accounting standards.

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement (continued)

Distribution Statement	4Q FY20/21 (S$'000)	4Q FY19/20 (S$'000)	Variance %	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance %
(Loss)/profit for the period/year after income tax	**(45,802)**	**170,730**	**	**164,497**	**367,143**	**(55.2)**
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments (Note D)	110,426	(111,419)	**	94,595	(125,950)	**
Cash distributions declared by joint ventures	6,124	9,842	(37.8)	36,172	24,144	49.8
Amount available for distribution	**70,748**	**69,153**	**2.3**	**295,264**	**265,337**	**11.3**

Notes	4Q FY20/21 (S$'000)	4Q FY19/20 (S$'000)	Variance %	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance %
Note A						
Property operating expenses include:						
- Allowance for impairment of trade receivables	(256)	-	**	(655)	-	**
- Bad debts written off	(198)	-	**	(198)	-	**
- Depreciation	(19)	(15)	26.7	(70)	(55)	27.3
Note B						
Borrowing costs include:						
- Interest on borrowings	(14,253)	(10,914)	30.6	(50,820)	(43,271)	17.4
- Finance cost on lease liabilities	(263)	33	**	(1,079)	(1,104)	(2.3)
Note C						
Net fair value (loss)/gain on investment properties and investment property under development include:						
- Net fair value (loss)/gain on investment properties	(78,850)	79,730	**	(78,850)	79,730	**
- Net fair value loss on right-of-use assets	(1,310)	(1,202)	9.0	(1,310)	(1,202)	9.0
- Effects of lease incentives and marketing commission amortisation	(6,923)	(27,730)	(75.0)	(6,923)	(27,730)	(75.0)

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement (continued)

Notes	4Q FY20/21 (S$'000)	4Q FY19/20 (S$'000)	Variance %	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance %
Note D Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments comprises:						
- Trustee's fees	194	170	14.1	741	642	15.4
- Financing related costs	594	442	34.4	2,102	1,686	24.7
- Net fair value loss/(gain) on investment property and investment property under development	87,083	(50,798)	**	87,083	(50,798)	**
- Management fees paid/payable in units	1,014	1,079	(6.0)	4,270	3,012	41.8
- Expensed capital items	387	370	4.6	762	737	3.4
- Adjustments for rental incentives	(217)	(320)	(32.2)	1,084	(2,711)	**
- Share of joint ventures' results	(9,204)	(60,897)	(84.9)	(44,797)	(76,506)	(41.4)
- Net foreign exchange loss/(gain)	1,025	(433)	>100.0	668	(307)	>100.0
- Effects from deemed disposal of investments in joint venture	-	-	-	15,662	-	**
- Deferred tax expense	32,352	-	**	32,547	-	**
- Others	(2,802)	(1,032)	>100.0	(5,527)	(1,705)	>100.0

** Not meaningful

1(a)(ii) Consolidated Statement of Comprehensive Income

	4Q FY20/21 (S$'000)	4Q FY19/20 (S$'000)	Variance %	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance %
(Loss)/profit for the period after income tax	**(45,802)**	**170,730**	**	**164,497**	**367,143**	**(55.2)**
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges						
- Fair value gains/(losses)[1]	12,182	(16,513)	**	8,351	(24,144)	**
- Realised and transferred to borrowing cost	5,602	762	>100.0	18,133	1,258	>100.0
Share of hedging reserve of joint ventures[1]	8,068	(6,342)	**	7,801	(10,361)	**
Net translation differences relating to:						
- financial statements of foreign joint ventures and foreign subsidiaries	10,896	6,172	76.5	(24,266)	716	**
- shareholder's loan	(5,479)	-	**	(5,479)	-	**
- borrowings designated as net investment hedge of foreign operations	(1,196)	(3,197)	(62.6)	15,448	1,065	>100.0
Other comprehensive gain/(loss), net of tax	**30,073**	**(19,118)**	**	**19,988**	**(31,466)**	**
Total comprehensive income	**(15,729)**	**151,612**	**	**184,485**	**335,677**	**(45.0)**

** Not meaningful

Footnote:

[1] These reflect the fair value changes of the interest rate swaps and currency forwards. The Group enters into interest rate swaps and currency forwards to manage its interest rate risks and currency risks for the stability of distributions.

1(b)(i) Statements of Financial Position

	MIT Group		MIT	
	31 March 2021 (S$'000)	31 March 2020 (S$'000)	31 March 2021 (S$'000)	31 March 2020 (S$'000)
Current assets				
Cash and cash equivalents	60,464	53,436	15,209	34,490
Trade and other receivables	19,690	15,160	25,238	20,979
Other current assets	48,616	960	696	920
Loan to a subsidiary	-	-	198,338	-
Derivative financial instruments[1]	499	-	499	-
Investment Property held for sale	119,800	-	119,800	-
Total current assets	**249,069**	**69,556**	**359,780**	**56,389**
Non-current assets				
Investment properties	5,583,774	4,473,053	3,736,897	4,014,774
Investment property under development	107,800	-	107,800	-
Plant and equipment	183	165	183	165
Investments in:				
- subsidiaries	-	-	377,080	113,579
- joint ventures	441,328	642,198	394,377	560,850
Loan to subsidiaries[2]	-	-	690,964	323,394
Derivative financial instruments[1]	9,465	2,911	9,465	2,911
Total non-current assets	**6,142,550**	**5,118,327**	**5,316,766**	**5,015,673**
Total assets	**6,391,619**	**5,187,883**	**5,676,546**	**5,072,062**
Current liabilities				
Trade and other payables	102,215	94,826	83,528	84,018
Borrowings	369,204	1,275	100,334	320
Derivative financial instruments[1]	5,921	4,663	457	4,663
Current income tax liabilities	529	264	56	56
Total current liabilities	**477,869**	**101,028**	**184,375**	**89,057**
Non-current liabilities				
Other payables	49,212	47,447	43,803	43,238
Borrowings	1,901,896	1,458,292	1,147,499	1,039,488
Loan from a subsidiary	-	-	407,004	407,180
Derivative financial instruments[1]	30,544	20,995	15,843	20,995
Deferred tax liabilities[3]	37,098	-	-	-
Total non-current liabilities	**2,018,750**	**1,526,734**	**1,614,149**	**1,510,901**
Total liabilities	**2,496,619**	**1,627,762**	**1,798,524**	**1,599,958**
Net assets attributable to Unitholders	**3,895,000**	**3,560,121**	**3,878,022**	**3,472,104**
Represented by:				
Unitholders' funds	**3,895,000**	**3,560,121**	**3,878,022**	**3,472,104**
Net asset value per unit (S$)	**1.66**	**1.62**	**1.65**	**1.58**

Footnotes:

1 Derivative financial instruments reflect the fair value of the interest rate swaps and currency forwards entered into by the Group and MIT to manage its interest rate risks and currency risks.

2 Includes MIT's loans to subsidiaries, which are intended to be a long-term source of funding for the respective entities.

3 Relates to deferred tax expense recognised on respective investment properties in North America, previously held under MRDCT, in accordance with the accounting standards.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	MIT Group		MIT	
	31 March 2021 (S$'000)	31 March 2020 (S$'000)	31 March 2021 (S$'000)	31 March 2020 (S$'000)
Current				
Bank loans (unsecured)	368,024	-	100,000	-
Less: Transaction costs to be amortised[1]	(179)	-	-	-
	367,845	-	100,000	-
Lease liabilities	1,359	1,275	334	320
Borrowings - Current	**369,204**	**1,275**	**100,334**	**320**
Non-current				
Bank loans (unsecured)	1,472,196	1,029,084	1,137,166	1,029,084
Less: Transaction costs to be amortised[1]	(2,231)	(1,850)	(1,730)	(1,850)
	1,469,965	1,027,234	1,135,436	1,027,234
Medium Term Notes ("MTN") (unsecured)	405,000	405,000	-	-
Change in fair value of hedged item[2]	2,605	2,911	-	-
Less: Transaction costs to be amortised[1]	(601)	(731)	-	-
	407,004	407,180	-	-
Lease liabilities	24,927	23,878	12,063	12,254
Loan from a subsidiary	-	-	405,000	405,000
Change in fair value of hedged item[2]	-	-	2,605	2,911
Less: Transaction costs to be amortised[1]	-	-	(601)	(731)
	-	-	407,004	407,180
Borrowings – Non-current	**1,901,896**	**1,458,292**	**1,554,503**	**1,446,668**
Total borrowings	**2,271,100**	**1,459,567**	**1,654,837**	**1,446,988**
Represented by:				
Bank loans and Medium Term Notes	2,244,814	1,434,414	1,235,436	1,027,234
Lease liabilities	26,286	25,153	12,397	12,574
Loan from a subsidiary	-	-	407,004	407,180
	2,271,100	**1,459,567**	**1,654,837**	**1,446,988**

Footnotes:

1 Related transaction costs are amortised over the tenors of the MTN and bank loan facilities.

2 Relates to the changes in fair value of the S$75.0 million MTN issued on 11 May 2015, the Group has adopted a fair value hedge on this series of MTN.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities (continued)

Ratios

	MIT Group	
	31 March 2021	31 March 2020
Aggregate leverage	40.3%	37.6%
Interest coverage (times) [1]	6.4	6.9

Footnote:

[1] Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortization (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.

1(c) Consolidated Statement of Cash Flows

	4QFY20/21 (S$'000)	4QFY19/20 (S$'000)	FY20/21 (S$'000)	FY19/20 (S$'000)
Cash flows from operating activities				
(Loss)/Profit after income tax	(45,802)	170,730	164,497	367,143
Adjustments for:				
- Allowance for impairment of trade receivables	256	-	655	-
- Bad debts written off	198		198	-
- Income tax expense	32,697	7	33,373	56
- Net fair value loss/(gain) on investment properties and investment property under development	87,083	(50,798)	87,083	(50,798)
- Interest income	4	(339)	(244)	(2,634)
- Borrowing costs	14,797	11,029	52,888	45,019
- Manager's management fees paid/payable in units paid/payable in units	1,081	1,079	4,337	3,012
- Amortisation of rental incentives	(8,962)	13	(6,923)	(1,461)
- Depreciation	19	15	70	55
- Share of joint ventures' results	(9,204)	(60,897)	(44,797)	(76,506)
- Net foreign exchange differences	(2,102)	(389)	(3,042)	(389)
- Effects from deemed disposal of investments in joint venture	-	-	15,662	-
Operating cash flows before working capital changes	**70,065**	**70,450**	**303,757**	**283,497**
Changes in operating assets and liabilities				
- Trade and other receivables	7,715	(480)	(3,947)	830
- Trade and other payables	(34,362)	8,246	(14,796)	1,395
- Other current assets	(31,505)	40	(47,665)	834
Cash generated from operations	11,913	78,256	237,349	286,556
Interest received	2	68	238	362
Income tax paid	(666)	-	(791)	(32)
Net cash provided by operating activities	**11,249**	**78,324**	**236,796**	**286,886**

1(c) Consolidated Statement of Cash Flows (continued)

	4QFY20/21 (S$'000)	4QFY19/20 (S$'000)	FY20/21 (S$'000)	FY19/20 (S$'000)
Cash flows from investing activities				
Additions to investment properties and investment property under development	(286,946)	(14,799)	(302,843)	(50,108)
Acquisition of subsidiaries, net of cash received	-	-	(266,484)	-
Additions to plant and equipment	-	(37)	(88)	(37)
Receipt of interest on loan to a joint venture	-	-	2,268	-
Distributions received from joint ventures	8,678	6,553	39,952	17,775
Investment in a joint venture	-	(129,055)	-	(394,264)
Loan to a joint venture	-	-	-	(333,180)
Repayment of loan from a joint venture	-	330,389	-	330,389
Net cash (used in)/provided by investing activities	**(278,268)**	**193,051**	**(527,195)**	**(429,425)**
Cash flows from financing activities				
Repayment of bank loans	(290,247)	(573,717)	(752,952)	(874,957)
Payment of financing related costs	(831)	(833)	(2,495)	(2,230)
Gross proceeds from bank loans	614,681	356,306	976,100	904,746
Net proceeds from issuance of new units	-	-	403,640	393,614
Distributions to Unitholders	(77,103)	(73,945)	(275,832)	(219,263)[1]
Interest paid	(16,014)	(14,260)	(48,406)	(43,650)
Payment of lease liabilities[2]	(630)	(585)	(2,381)	(2,307)
Net cash provided by/(used in) financing activities	**229,856**	**(307,034)**	**297,674**	**155,953**
Net (decrease)/increase in cash and cash equivalents	**(37,163)**	**(35,659)**	**7,275**	**13,414**
Cash and cash equivalents at beginning of financial period/year	97,601	89,083	53,436	40,010
Effects of currency translation on cash and cash equivalents	26	12	(247)	12
Cash and cash equivalents at end of financial period/year	**60,464**	**53,436**	**60,464**	**53,436**

Footnotes:

[1] Excludes S$4.4 million distributed through the issuance of 2,172,035 new units in MIT in FY19/20 as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the Distribution Reinvestment Plan ("DRP").

[2] Includes payment of finance cost for lease liabilities.

1(d)(i) **Statement of Movements in Unitholders' Funds (MIT Group)**

	4QFY20/21 (S$'000)	4QFY19/20 (S$'000)	FY20/21 (S$'000)	FY19/20 (S$'000)
OPERATIONS				
Balance at beginning of the period/year	**1,107,521**	**994,764**	**1,095,951**	**952,473**
(Loss)/profit for the period/year	(45,802)	170,730	164,497	367,143
Distributions	(77,103)	(69,543)	(275,832)	(223,665)
Balance at end of the period/year	**984,616**	**1,095,951**	**984,616**	**1,095,951**
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period/year	**2,914,479**	**2,500,451**	**2,501,097**	**2,100,514**
Issue of new units pursuant to the private placement	-	-	409,959	399,999
Issue of new units pursuant to the DRP	-	-	-	4,402[1]
Manager's management fees paid in units	1,315	646	4,337	2,567
Manager's acquisition fees paid in units	-	-	6,720	-
Issue expenses	-	-	(6,319)	(6,385)
Balance at end of the period/year	**2,915,794**	**2,501,097**	**2,915,794**	**2,501,097**
HEDGING RESERVE				
Balance at beginning of the period/year	**(18,071)**	**(16,494)**	**(38,587)**	**(5,340)**
Fair value gain/(loss)	12,182	(16,513)	8,351	(24,144)
Cash flow hedges realised and transferred to borrowing cost	5,602	762	18,133	1,258
Share of hedging reserves of joint ventures	8,068	(6,342)	7,801	(10,361)
Effects from deemed disposal of investment in joint venture	-	-	12,083	-
Balance at end of the period/year	**7,781**	**(38,587)**	**7,781**	**(38,587)**
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of the period/year	**(17,412)**	**(1,315)**	**1,660**	**(121)**
Net translation differences relating to financial statements of foreign joint ventures and foreign subsidiaries	10,896	6,172	(24,266)	(7,842)
Net translation differences relating to shareholder's loan	(5,479)	-	(5,479)	-
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	(1,196)	(3,197)	15,448	9,623
Effects from deemed disposal of investment in joint venture	-	-	(554)	-
Balance at end of the period/year	**(13,191)**	**1,660**	**(13,191)**	**1,660**
Total Unitholders' funds at end of the period/year	**3,895,000**	**3,560,121**	**3,895,000**	**3,560,121**

Footnote:

1 MIT Group issued 2,172,035 new units in MIT amounting to S$4.4 million in FY19/20 as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the DRP.

1(d)(ii) Statement of Movements in Unitholders' Funds (MIT)

	4QFY20/21 (S$'000)	4QFY19/20 (S$'000)	FY20/21 (S$'000)	FY19/20 (S$'000)
OPERATIONS				
Balance at beginning of the period/year	**1,052,661**	**949,416**	**996,665**	**908,907**
(Loss)/profit for the period/year	(4,387)	116,792	250,338	311,423
Distributions	(77,103)	(69,543)	(275,832)	(223,665)
Balance at end of the period/year	**971,171**	**996,665**	**971,171**	**996,665**
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period/year	**2,914,479**	**2,500,451**	**2,501,097**	**2,100,514**
Issue of new units pursuant to the private placement	-	-	409,959	399,999
Issue of new units pursuant to the DRP	-	-	-	4,402[1]
Manager's management fees paid in units	1,315	646	4,337	2,567
Manager's acquisition fees paid in units	-	-	6,720	-
Issue expenses	-	-	(6,319)	(6,385)
Balance at end of the period/year	**2,915,794**	**2,501,097**	**2,915,794**	**2,501,097**
HEDGING RESERVE				
Balance at beginning of the period/year	**(23,503)**	**(9,907)**	**(25,658)**	**(2,772)**
Fair value gain/(loss)	16,176	(16,513)	6,962	(24,144)
Cash flow hedges realised and transferred to borrowing cost	(1,616)	762	9,753	1,258
Balance at end of the period/year	**(8,943)**	**(25,658)**	**(8,943)**	**(25,658)**
Total Unitholders' funds at end of the period/year	**3,878,022**	**3,472,104**	**3,878,022**	**3,472,104**

Footnote:

1 MIT Group issued 2,172,035 new units in MIT amounting to S$4.4 million in FY19/20 as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the DRP.

1(d)(iii) Details of Any Change in Units

	4QFY20/21	4QFY19/20	FY20/21	FY19/20
Balance as at beginning of the period/year	**2,350,696,989**	**2,200,748,610**	**2,201,002,159**	**2,021,111,388**
Manager's management fees paid in units[1]	461,101	253,549	1,588,115	1,118,736
Manager's acquisition fee paid in units[1]	-	-	2,153,816	-
Issue of new units pursuant to the private placement[2]	-	-	146,414,000	176,600,000
Issue of new units pursuant to the DRP[3]	-	-	-	2,172,035
Total issued units at end of the period/year[4]	**2,351,158,090**	**2,201,002,159**	**2,351,158,090**	**2,201,002,159**

Footnotes:

1 The Manager has elected, in accordance with the Trust Deed, for new units to be issued as part payment of base fee and payment of acquisition fee to the Manager.

2 New units were issued at issue price of S$2.8000 and S$2.2650 on 2 July 2020 and 26 September 2019 respectively.

3 New units were issued at issue price of S$2.0193 per unit as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the DRP.

4 There were no convertibles, treasury units and units held by subsidiaries as at 31 March 2021 and 31 March 2020.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury units and subsidiary holdings as at the end of the current financial reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those used in the audited financial statements for the financial year ended 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

MIT Group adopted the new and amended SFRS(I) and INT SFRS(I) that are mandatory for application from 1 April 2020. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current financial period.

6. Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	4QFY20/21	4QFY19/20	FY20/21	FY19/20
Weighted average number of units	2,350,958,280[1]	2,200,910,213[2]	2,312,511,200[1]	2,114,207,270[2]
Earnings per unit (“EPU”) – Basic and Diluted[3] Based on the weighted average number of units in issue (cents)	(1.95)	7.76	7.11[4]	17.37
No. of units in issue at end of period	2,351,158,090	2,201,002,159	2,351,158,090	2,201,002,159
DPU Based on number of units in issue at end of period (cents)	3.30	2.85	12.55	12.24

Footnotes:

1 Weighted average number of units has been adjusted to take into account the new units issued pursuant to the private placement, as well as part payment of base fee and acquisition fee to the Manager.

2 Weighted average number of units has been adjusted to take into account the new units issued pursuant to the private placement, DRP, as well as part payment of base fee to the Manager.

3 Diluted earnings per unit were the same as the basic earnings per unit as there were no dilutive instruments in issue. The EPU were calculated using the total profit after tax and the weighted average number of units in issue during the respective periods.

4 Total profit after tax includes the effects from deemed disposal of investments in joint venture, which has no impact on DPU. Effects from deemed disposal of investments in joint venture refer to remeasurement of the Group’s 40% equity interest in MRDCT to its fair value at acquisition date. This is in accordance with the accounting standards where carrying amount of investment is remeasured to its fair value and amounts previously recognized in other comprehensive income are reclassified to the Consolidated Statement of Profit or Loss.

7. Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit

	MIT Group		MIT	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
NAV and NTA per unit (S$)[1]	1.66	1.62	1.65	1.58

Footnote:

1 Net tangible asset per unit was the same as net asset value per unit as there were no intangible assets as at the reporting dates.

8. Review of the Performance

(a) <u>4QFY20/21 versus 4QFY19/20</u>

Gross revenue for 4QFY20/21 increased by S$19.3 million or 18.9% to S$121.1 million mainly due to the consolidation of revenue from the 14 data centres in the United States of America previously held under MRDCT. The effect was partly offset by rental reliefs granted to eligible tenants under the COVID-19 (Temporary Measures) Act 2020 ("the Act") and the redevelopment of Kolam Ayer 2 into a high-tech industrial precinct.

Property operating expenses for 4QFY20/21 increased by S$5.7 million or 24.2% to S$29.3 million. The increase in property operating expenses were mainly due to additional operating expenses from the consolidation of data centres previously held under MRDCT and higher property maintenance expenses.

As a result, compared to the corresponding quarter last year, net property income for 4QFY20/21 increased by S$13.6 million or 17.3% to S$91.8 million.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 4QFY20/21 increased by S$1.6 million or 2.3% to S$70.7 million.

The higher amount available to Unitholders was mainly due to higher net property income partially offset by higher borrowing costs, manager's management fees and lower distributions declared by joint ventures. Higher manager's management fees were due to better portfolio performance and increase in value of assets under management.

The distribution per unit increased by 15.8% from 2.85 cents to 3.30 cents, compared to 4QFY19/20.

(b) <u>FY20/21 versus FY19/20</u>

Gross revenue for FY20/21 was S$447.2 million, 10.2% (or S$41.3 million) higher compared to FY19/20 mainly due to consolidation of revenue from the 14 data centres in the United States of America previously held under MRDCT and the full year income stream from 7 Tai Seng Drive. This increase was partly offset by rental reliefs for eligible tenants under the Act and revenue loss resulted from the redevelopment of Kolam Ayer 2.

Property operating expenses for FY20/21 were S$96.2 million, 9.6% (or S$8.4 million) higher compared to FY19/20. This was due mainly to additional operating expenses from the consolidation of data centres previously held under MRDCT and higher property tax partially offset by lower marketing commission, property maintenance expenses and utilities.

8. Review of the Performance (continued)

(b) FY20/21 versus FY19/20 (continued)

As a result, net property income for FY20/21 was S$351.0 million, 10.4% (or S$32.9 million) higher.

The amount available for distribution in FY20/21 was S$295.3 million, 11.3% (or S$29.9 million) higher than FY19/20 mainly due to higher net property income and distributions declared by joint ventures, partially offset by higher borrowing costs and manager's management fees.

Distribution per unit for FY20/21 was 12.55 cents, 2.5% higher than 12.24 cents in FY19/20.

(c) 4QFY20/21 versus 3QFY20/21

Consolidated Statement Profit or Loss	**4QFY20/21 (S$'000)**	**3QFY20/21 (S$'000)**	**Variance %**
Gross revenue	121,062	123,685	(2.1)
Property operating expenses	(29,254)	(24,756)	18.2
Net property income	**91,808**	**98,929**	**(7.2)**
Interest income	(4)	32	**
Borrowing costs	(14,797)	(15,508)	(4.6)
Manager's management fees			
- Base fees	(7,088)	(7,190)	(1.4)
- Performance fees	(3,299)	(3,543)	(6.9)
Trustee's fees	(194)	(196)	(1.0)
Other trust expenses	(627)	(617)	1.6
Net foreign exchange gain	(1,025)	527	>100.0
Net fair value loss on investment properties	(87,083)	-	**
Effects from deemed disposal of investments in joint venture	-	(15,662)	**
Share of joint venture's results	9,204	9,571	(3.8)
- Net profit after tax	*9,274*	*9,571*	*(3.1)*
- Net fair value loss on investment properties	*(70)*	*-*	**
(Loss)/Profit for the period before income tax	**(13,105)**	**66,343**	**
Income tax expense	(32,697)	(475)	>100.0
- Current income tax	*(345)*	*(324)*	*6.5*
- Deferred tax	*(32,352)*	*(151)*	*>100.0*
(Loss)/Profit for the period after income tax	**(45,802)**	**65,868**	**
Net effects of non-tax deductible items and other adjustments	110,426	6,545	>100.0
Distribution declared by joint venture	6,124	8,661	(29.3)
Amount available for distribution	**70,748**	**81,074**	**(12.7)**
Distribution per unit (cents)	**3.30**	**3.28**	**0.6**

8. Review of the Performance (continued)

On a quarter-on quarter basis, the net property income for 4QFY20/21 decreased by S$7.1 million or 7.2% to S$91.8 million. The decrease in net property income was mainly attributable to lower gross revenue and higher property operating expenses. The gross revenue for 4QFY20/21 decreased by S$2.6 million or 2.1% to S$121.1 million compared to 3QFY20/21 mainly due to rental reliefs for eligible tenants under the Act partially offset by higher revenue contribution from 18 Tai Seng.

Property operating expenses for 4QFY20/21 increased by S$4.5 million or 18.2% to S$29.3 million compared to 3QFY20/21. The increase in property operating expenses was mainly attributable to the higher property maintenance expenses.

The lower amount available to Unitholders was largely due to lower net property income and distribution declared by joint venture, partially offset by lower borrowing costs and manager's management fees.

Distribution per unit for 4QFY20/21 was 3.30 cents, 0.6% higher than 3.28 cents in 3QFY20/21, mainly due to the release of tax-exempt income withheld previously.

Statement of Financial Position

31 March 2021 versus 31 March 2020

The net assets attributable to Unitholders increased by 9.4% from S$3,560.1 million as at 31 March 2020 to S$3,895.0 million as at 31 March 2021 mainly due to additional equity raised to fund the acquisition of the remaining 60.0% interest in the portfolio of 14 data centres in the United States of America.

The Group reported a net current liabilities position as at 31 March 2021 mainly due to the reclassification of long-term borrowings. The Group has sufficient banking facilities available to refinance the borrowings and meet its current obligations as and when they fall due.

9. Variance from Previous Forecast / Prospect Statement

MIT has not disclosed any financial forecast to the market.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 month

Economic Overview

The global economic outlook remains uncertain, with COVID-19 still strongly evident in some countries. After an estimated contraction of 3.3% in 2020, the global economy was projected to grow at 6.0% in 2021, moderating to 4.4% in 2022[1]. Changes to global outlook will depend on how the health crisis develops, effectiveness of policy actions and the adjustment capacity of various economies.

Singapore

According to advance estimates from the Ministry of Trade and Industry on 14 April 2021[2], the Singapore economy grew by 0.2% on a year-on-year ("Y-o-Y") basis in the first quarter of 2021 ("1Q2021"), a turnaround from the 2.4% contraction in the preceding quarter. The manufacturing sector grew by 7.5% on a Y-o-Y basis in 1Q2021, following the 10.3% growth in the previous quarter. This was supported by output expansions in the electronics, precision engineering, chemicals and biomedical manufacturing clusters.

The outlook for local businesses in Singapore is showing signs of recovery[3]. The quarterly Singapore Commercial Credit Bureau's Business Optimism Index study[4] marked its first positive reading after four straight quarters in negative territory. However, the optimism was limited to the financial, manufacturing and wholesale sectors. Sentiments for construction and transportation sectors remained downbeat.

North America

According to CBRE[5], the total inventory in the primary North American data centre markets increased by 291.8 megawatts ("MW") from 2019 to 2020, with net absorption decreasing from 368.1MW in 2019 to 329.6MW in 2020. The decrease in demand was mainly due to the economic impact of the COVID-19 pandemic.

CBRE expects investment in data centres in North America to increase in 2021 based on strong revenue growth projection. There will also be more supply entering the market due to the increased construction pipeline of 457.8MW across primary markets in 2020, compared to 183.0MW in 2019. Out of the 457.8MW under construction, approximately 239MW has been preleased, mainly to hyperscale and cloud service providers, which will continue to make up the bulk of the leasing volume in 2021. New and evolving technologies such as 5G, edge computing and Internet of Things will continue to drive interest from operators to diversify their portfolios to serve smaller secondary and tertiary markets.

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[1] Source: International Monetary Fund, April 2021.
[2] Source: Singapore's GDP Grew by 0.2 per cent in the first quarter of 2021, Ministry of Trade and Industry, 14 April 2021.
[3] Source: The Straits Times, Business sentiment in Singapore turning positive: Poll, 16 March 2021.
[4] Source: Singapore Commercial Credit Bureau, 2Q2021.
[5] Source: CBRE North American Data Center Report H2 2020, 8 March 2021.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution:	42nd distribution for the period from 1 January 2021 to 31 March 2021
Distribution types:	Income / Capital / Tax-exempt income
Distribution rate:	Period from 1 January 2021 to 31 March 2021 Taxable Income: 2.45 cents per unit Capital Distribution: 0.10 cent per unit Tax-exempt Income: 0.75 cent per unit
Par value of units:	Not meaningful
Tax rate:	<u>Taxable Income</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. <u>Capital Distribution</u> Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes. The amount of capital distribution will reduce the cost of MIT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of MIT Units, the reduced cost base of their MIT Units will be used to calculate the taxable trading gains when the MIT Units are disposed of. <u>Tax-Exempt Income Distribution</u> Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution:	38th distribution for the period from 1 January 2020 to 31 March 2020
Distribution types:	Income / Capital

11. Distributions (continued)

Distribution rate: Period from 1 January 2020 to 31 March 2020
Taxable Income: 2.72 cents per unit
Capital Distribution: 0.13 cent per unit

Par value of units: Not meaningful

Tax rate: Taxable Income
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Capital Distribution
Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes. The amount of capital distribution will reduce the cost of MIT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of MIT Units, the reduced cost base of their MIT Units will be used to calculate the taxable trading gains when the MIT Units are disposed of.

(c) Date payable: 8 June 2021

(d) Record date: 7 May 2021

12. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable.

13. Segment Information (MIT Group)

The segment information provided to the Manager for the reportable segments for the financial year ended 31 March 2021 is as follows:

Asset segment	Data Centres	Data Centres	Hi-Tech Buildings	Business Park Buildings	Flatted Factories	Stack-up/Ramp-up Buildings	Light Industrial Buildings	
Country	Singapore S$'000	North America S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Total S$'000
Gross revenue	33,782	54,180	123,814	46,520	140,090	43,092	5,725	447,203
Net property income	31,429	45,043	98,971	31,630	105,201	34,369	4,348	350,991
Interest income								244
Borrowing costs								(51,809) [1]
Finance cost on lease liabilities								(1,079)
Manager's management fees								(39,062)
Trustee's fees								(741)
Other trust expenses								(2,058)
Net foreign exchange gain								(668)
Net fair value (loss)/gain on investment properties	(17,012)	(1,047)	(10,021)	(18,635)	(38,039)	1,530	(3,859)	(87,083)
Effects from deemed disposal of investments in joint venture	-	(15,662)	-	-	-	-	-	(15,662)
Share of joint ventures' results	-	44,797	-	-	-	-	-	44,797
Profit before income tax								197,870
Current income tax	-	(826)	-	-	-	-	-	(826)
Deferred tax	-	(32,547)	-	-	-	-	-	(32,547)
Profit after income tax								164,497

13. Segment information (continued)

Asset segment	Data Centres	Data Centres	Hi-Tech Buildings	Business Park Buildings	Flatted Factories	Stack-up/Ramp-up Buildings	Light Industrial Buildings	
Country	**Singapore S$'000**	**North America S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Total S$'000**
Other segment items								
Acquisitions of and additions to investment properties	8,267	1,412,470	13,498	5,579	5,546	46	96	1,445,502
Segment assets								
-Investment properties and investment property under development	299,771	1,395,110	1,383,268	575,100	1,474,300	490,500	73,525	5,691,574 [2]
-Investments in joint ventures	-	441,328	-	-	-	-	-	441,328
-Property held for sale	119,800	-	-	-	-	-	-	119,800
-Trade receivables	21	808	865	115	2,881	499	540	5,729
								6,258,431
Unallocated assets*								133,188
Consolidated total assets								6,391,619
Segment liabilities	19,052	2,615	25,612	9,793	37,672	12,235	3,477	110,456 [3]
Unallocated liabilities**								2,386,163
Consolidated total liabilities								2,496,619

* Unallocated assets include cash and bank equivalents, other receivables, other current assets, derivative financial instruments and plant and equipment.
** Unallocated liabilities include trade and other payables, borrowings, derivative financial instruments, current income tax liabilities and deferred tax liabilities.

[1] Excludes finance cost on lease liabilities.
[2] Includes right-of-use ("ROU") assets of S$26.3 million and net fair value loss on properties (excluding ROU assets) of S$78.9 million.
[3] Lease liabilities were included under segment liabilities.

13. Segment information (continued)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2020[1] is as follows:

Asset segment	**Data Centres**	**Data Centres**	**Hi-Tech Buildings**	**Business Park Buildings**	**Flatted Factories**	**Stack-up/Ramp-up Buildings**	**Light Industrial Buildings**	
Country	**Singapore S$'000**	**North America S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Singapore S$'000**	**Total S$'000**
Gross revenue	31,341	-	124,704	47,134	152,096	44,358	6,225	405,858
Net property income	28,945	-	99,449	32,004	117,699	35,216	4,756	318,069
Interest income								2,634
Borrowing costs								(43,915) [2]
Finance cost on lease liabilities	(583)	-	(392)	-	-	-	(129)	(1,104)
Manager's management fees								(33,930)
Trustee's fees								(642)
Other trust expenses								(1,524)
Net foreign exchange gain								307
Net fair value gain/(loss) on investment properties	7,832	-	47,066	(1,359)	(14,454)	14,243	(2,530)	50,798
Share of joint ventures' results	-	76,506	-	-	-	-	-	76,506
Profit before income tax								367,199
Income tax expense								(56)
Profit after income tax								367,143

13. Segment information (continued)

Asset segment	Data Centres	Data Centres	Hi-Tech Buildings	Business Park Buildings	Flatted Factories	Stack-up/Ramp-up Buildings	Light Industrial Buildings	
Country	Singapore S$'000	North America S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Singapore S$'000	Total S$'000
Other segment items								
Additions to investment properties	6,580	-	8,307	7,151	10,313	-	372	32,723
Segment assets								
-Investment properties	428,454	-	1,383,711	588,300	1,506,600	488,700	77,288	4,473,053 [3]
-Investments in joint ventures	-	642,198	-	-	-	-	-	642,198
-Trade receivables	-	-	75	105	837	436	207	1,660
								5,116,911
Unallocated assets*								70,972
Consolidated total assets								5,187,883
Segment liabilities	1,839	-	39,892	11,238	37,917	11,380	4,207	106,473 [4]
Unallocated liabilities**								1,521,289
Consolidated total liabilities								1,627,762

[*] Unallocated assets include cash and bank equivalents, other receivables, other current assets, derivative financial instruments and plant and equipment.
[**] Unallocated liabilities include trade and other payables, borrowings, derivative financial instruments and current income tax liabilities.

[1] The reportable segments have been reclassified to reflect the new classification of property segments.
[2] Excludes finance cost on lease liabilities.
[3] Includes ROU assets of S$25.2 million and net fair value gain on properties (excluding ROU assets) of S$79.7 million.
[4] Lease liabilities were included under segment liabilities.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The acquisition of the remaining 60.0% interest in the 14 data centres in the United States of America previously held under MRDCT has increased the contribution of Data Centres to the MIT portfolio; the revenue and results of these data centres are consolidated within MIT Group instead of being equity accounted.

The contribution of Flatted Factories has decreased compared to FY19/20. Notwithstanding the lower contribution, Flatted Factories remains the largest contributor to MIT Group's gross revenue and net property income in FY20/21.

15. Breakdown of Revenue (MIT Group)

	FY20/21 (S$'000)	FY19/20 (S$'000)	Variance (%)
1 April to 30 September ("First Half Year")			
Gross revenue	202,456	201,447	0.5
Profit after income tax before distribution	144,431	126,863	13.8
1 October to 31 March ("Second Half Year")			
Gross revenue	244,747	204,411	19.7
Profit after income tax before distribution	20,066	240,280	(91.6)

16. Breakdown of Total Distribution (MIT Group)

In respect of period:	FY20/21 (S$'000)	FY19/20 (S$'000)
1 April to 30 June 2020	63,183	-
1 July 2020	660[1]	-
2 July 2020 to 30 September 2020	72,157	
1 October to 31 December 2020	77,103	-
1 January to 31 March 2021	77,588	-
1 April to 30 June 2019	-	62,731
1 July to 25 September 2019	-	59,300
26 September to 31 December 2019	-	73,945
1 January to 31 March 2020	-	62,729
Total distribution to Unitholders	**290,691**	**258,705**

[1] Relates to 0.03 cent per unit of advanced distribution to unitholders existing as at 1 July 2020 and prior to the issuance of the new units prior to the private placement.

17. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

MIT Group has not obtained a general mandate from Unitholders for any Interested Person Transactions.

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers, in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

19. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, Mapletree Industrial Trust Management Ltd. (the "Company"), as manager of MIT, confirms that there is no person occupying a managerial position in the Company or its principal subsidiaries who is a relative of a director, chief executive officer, or substantial shareholder of the Company or a substantial unitholder of MIT.

20. Additional information required pursuant to Rule 706A of the Listing Manual

Acquisition of the remaining 60.0% interest in 14 Data Centres in the United States of America

On 1 September 2020, MIT completed the acquisition of the remaining 60.0% interest in 14 data centres located in the United States of America for a purchase consideration of US$215.3 million (approximately S$292.8 million[1]).

Please refer to the announcements dated 23 June 2020 and 1 September 2020 as well as the circular to Unitholders dated 5 August 2020 for more information on this acquisition.

Incorporation of Richmond DC Assets LLC and acquisition of a Data Centre

Richmond DC Assets LLC, a wholly-owned subsidiary of MIT, was formed on 2 September 2020 with a paid-up capital of US$100 for the purpose of investment holdings.

On 12 March 2021, Richmond DC Assets LLC completed the acquisition of a data centre and office located in Virginia, United States of America for a purchase consideration US$207.8 million (approximately S$282.6 million[1]). Please refer to the announcements dated 14 September 2020 and 13 March 2021 for more information on this acquisition.

[1] Based on the exchange rate of US$1.00 to S$1.36.

This release may contain forward-looking statements that involve risks and uncertainties. Future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Industrial Trust Management Ltd.
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

29 April 2021

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in MIT. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Mapletree Industrial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 January 2008 (as amended) (the "Trust Deed") between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MIT and the Group during the financial year covered by these financial statements, set out on pages 152 to 223, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore, 27 April 2020

STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

In the opinion of the directors of Mapletree Industrial Trust Management Ltd., the accompanying financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group"), as set out on pages 152 to 223, comprising the Statement of Financial Position and Portfolio Statement for MIT and the Group as at 31 March 2020, the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds for MIT and the Group, the Consolidated Statement of Cash Flows for the Group and Notes to the Financial Statements for the year then ended are drawn up so as to present fairly, in all material respects, the financial position of MIT and of the Group as at 31 March 2020 and the financial performance, amount distributable and movements in unitholders' funds of MIT and the Group and consolidated cash flows of the Group for the year then ended in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council and the provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MIT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Mapletree Industrial Trust Management Ltd.

Tham Kuo Wei
Director

Singapore, 27 April 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds, and Portfolio Statement of MIT are properly drawn up in accordance with SFRS(I) and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") relating to financial reporting so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MIT, and the consolidated portfolio holdings of the Group and portfolio holdings of MIT as at 31 March 2020, and the consolidated financial performance of the Group and the financial performance of MIT, the consolidated amount distributable of the Group and the amount distributable of MIT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MIT and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MIT and the Group comprise:

- the statements of profit or loss of the Group and MIT for the financial year ended 31 March 2020;
- the statements of comprehensive income of the Group and MIT for the financial year ended 31 March 2020;
- the statements of financial position of the Group and MIT as at 31 March 2020;
- the distribution statements of the Group and MIT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements of unitholders' funds for the Group and MIT for the financial year then ended;
- the portfolio statement for the Group and MIT as at 31 March 2020; 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 audit 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.

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2020. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to Note 14 (Investment Properties) to the financial statements.* As at 31 March 2020, the carrying value of the Group's investment properties of $4.5 billion accounted for 86.2% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include, capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions, and are disclosed in Note 14. Furthermore, the valuation reports obtained from independent property valuers for certain investment properties have highlighted the heightened uncertainty of the Coronavirus Disease 2019 ("COVID–19") outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation than during normal market conditions.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against prior year inputs and those of comparable properties based on information available as at 31 March 2020. We found the external valuers to be a member of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data. We have also assessed the adequacy of the disclosures relating to the critical assumptions and the impact of COVID–19 on the valuation of investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

Other Information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee and Statement by the Manager (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 other sections of MIT's Annual Report 2019/2020 ("Other Sections"), which is 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 express any form of assurance conclusion thereon.

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with SFRS(I) and the applicable requirements of the CIS Code relating to financial reporting and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager 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 the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's 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 the Manager.
- Conclude on the appropriateness of the Manager'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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Manager 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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Magdelene Chua Wei Zhen.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 27 April 2020

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group FY19/20 $'000	Group FY18/19 $'000	MIT FY19/20 $'000	MIT FY18/19 $'000
Gross revenue	3	**405,858**	376,101	**364,529**	353,703
Property operating expenses	4	**(87,789)**	(88,331)	**(80,288)**	(83,554)
Net property income		**318,069**	287,770	**284,241**	270,149
Interest income	5	**2,634**	246	**7,125**	971
Investment income	6	**–**	–	**48,440**	30,383
Borrowing costs	7	**(45,019)**	(40,108)	**(44,474)**	(40,108)
Manager's management fees					
– Base fees		**(22,473)**	(20,540)	**(20,068)**	(19,389)
– Performance fees		**(11,457)**	(10,353)	**(10,242)**	(9,716)
Trustee's fees		**(642)**	(581)	**(642)**	(581)
Other trust expenses	8	**(1,524)**	(2,001)	**(1,463)**	(1,967)
Net foreign exchange gain/(loss)		**307**	(202)	**(9,316)**	(4,742)
Net fair value gain on investment properties and investment property under development	14(a)	**50,798**	30,757	**57,878**	28,605
Share of joint ventures' results	20				
– Net profit after tax		**29,228**	16,691	**–**	–
– Net fair value gain on investment properties		**47,278**	9,447	**–**	–
		76,506	26,138	**–**	–
Profit before income tax		**367,199**	271,126	**311,479**	253,605
Income tax expense	9(a)	**(56)**	*	**(56)**	–
Profit for the financial year		**367,143**	271,126	**311,423**	253,605
Earnings per unit					
– Basic and diluted (cents)	10	**17.37**	14.25		

* Amount less than $1,000

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group		MIT	
		FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Profit for the financial year		**367,143**	271,126	**311,423**	253,605
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges					
– Fair value losses		**(24,144)**	(3,939)	**(24,144)**	(3,939)
– Realised and transferred to borrowing cost	7	**1,258**	1,300	**1,258**	1,300
Share of hedging reserve of a joint venture		**(10,361)**	(3,094)	**–**	–
Net translation differences relating to financial statements of foreign joint ventures		**1,781**	551	**–**	–
Other comprehensive loss, net of tax		**(31,466)**	(5,182)	**(22,886)**	(2,639)
Total comprehensive income		**335,677**	265,944	**288,537**	250,966

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group		MIT	
		31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**53,436**	40,010	**34,490**	22,308
Trade and other receivables	12	**15,160**	33,487	**20,979**	33,085
Other current assets	13	**960**	1,727	**920**	1,138
Derivative financial instruments	23	**–**	114	**–**	114
		69,556	75,338	**56,389**	56,645
Non-current assets					
Investment properties	14(a)	**4,473,053**	4,254,200	**4,014,774**	3,807,400
Investment property under development	14(a)	**–**	82,100	**–**	82,100
Plant and equipment	15	**165**	183	**165**	183
Investments in:					
– subsidiaries	18	**–**	–	**113,579**	113,585
– joint ventures	20	**642,198**	194,101	**560,850**	166,158
Loan to subsidiaries	19	**–**	–	**323,394**	323,394
Derivative financial instruments	23	**2,911**	1,142	**2,911**	1,142
		5,118,327	4,531,726	**5,015,673**	4,493,962
Total assets		**5,187,883**	4,607,064	**5,072,062**	4,550,607
LIABILITIES					
Current liabilities					
Trade and other payables	21	**94,826**	104,650	**84,018**	92,298
Borrowings	22	**1,275**	74,982	**320**	74,982
Derivative financial instruments	23	**4,663**	238	**4,663**	238
Current income tax liabilities	9(b)	**264**	240	**56**	32
		101,028	180,110	**89,057**	167,550
Non–current liabilities					
Other payables	21	**47,447**	54,827	**43,238**	51,807
Borrowings	22	**1,458,292**	1,321,732	**1,039,488**	916,670
Loan from a subsidiary	22	–	–	**407,180**	405,062
Derivative financial instruments	23	**20,995**	2,869	**20,995**	2,869
		1,526,734	1,379,428	**1,510,901**	1,376,408
Total liabilities		**1,627,762**	1,559,538	**1,599,958**	1,543,958
Net assets attributable to Unitholders		**3,560,121**	3,047,526	**3,472,104**	3,006,649
Represented by:					
Unitholders' funds		**3,560,121**	3,047,526	**3,472,104**	3,006,649
UNITS IN ISSUE ('000)	25	**2,201,002**	2,021,112	**2,201,002**	2,021,112
NET ASSET VALUE PER UNIT ($)		**1.62**	1.51	**1.58**	1.49

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Amount available for distribution to Unitholders at beginning of the year	**28,181**	56,163	**28,181**	56,163
Profit for the year	**367,143**	271,126	**311,423**	253,605
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(125,950)**	(54,559)	**(46,086)**	(21,846)
Distribution declared by joint ventures	**24,144**	15,192	**–**	–
Amount available for distribution	**265,337**	231,759	**265,337**	231,759
Distribution to Unitholders:				
Distribution of 2.95 cents per unit for the period from 01 January 2018 to 31 March 2018	**–**	(55,614)	**–**	(55,614)
Distribution of 3.00 cents per unit for the period from 01 April 2018 to 30 June 2018	**–**	(56,568)	**–**	(56,568)
Distribution of 3.01 cents per unit for the period from 01 July 2018 to 30 September 2018	**–**	(56,779)	**–**	(56,779)
Distribution of 3.07 cents per unit for the period from 01 October 2018 to 31 December 2018	**–**	(58,299)	**–**	(58,299)
Distribution of 1.71 cents per unit for the period from 01 January 2019 to 19 February 2019	**–**	(32,481)	**–**	(32,481)
Distribution of 1.37 cents per unit for the period from 20 February 2019 to 31 March 2019	**(27,689)**	–	**(27,689)**	–
Distribution of 3.10 cents per unit for the period from 01 April 2019 to 30 June 2019	**(62,731)**	–	**(62,731)**	–
Distribution of 2.93 cents per unit for the period from 01 July 2019 to 25 September 2019	**(59,300)**	–	**(59,300)**	–
Distribution of 0.20 cent per unit for the period from 26 September 2019 to 30 September 2019	**(4,401)**	–	**(4,401)**	–
Distribution of 3.16 cents per unit for the period from 01 October 2019 to 31 December 2019	**(69,544)**	–	**(69,544)**	–
Total Unitholders' distribution (including capital distribution) (Note B)	**(223,665)**	(259,741)	**(223,665)**	(259,741)
Amount available for distribution to Unitholders at end of the year	**69,853**	28,181	**69,853**	28,181

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Note A:				
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments comprise:				
– Trustee's fees	**642**	581	**642**	581
– Financing related costs	**1,686**	1,851	**1,686**	1,851
– Net fair value gain on investment properties and investment property under development	**(50,798)**	(30,757)	**(57,878)**	(28,605)
– Management fees paid/payable in units	**3,012**	2,988	**3,012**	2,988
– Expensed capital items	**737**	768	**568**	685
– Amortisation of rental incentives	**(2,711)**	(4,681)	**(2,807)**	(4,805)
– Share of joint ventures' results	**(76,506)**	(26,138)	**–**	–
– Net foreign exchange (gain)/loss	**(307)**	202	**9,316**	4,742
– Others	**(1,705)**	627	**(625)**	717
	(125,950)	(54,559)	**(46,086)**	(21,846)
Note B:				
Total Unitholders' distribution				
– Taxable income distribution	**(209,301)**	(243,866)	**(209,301)**	(243,866)
– Capital distribution	**(2,847)**	(6,426)	**(2,847)**	(6,426)
– Tax-exempt income	**(11,517)**	(9,449)	**(11,517)**	(9,449)
	(223,665)	(259,741)	**(223,665)**	(259,741)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group	
		FY19/20 $'000	FY18/19 $'000
Cash flows from operating activities			
Profit for the financial year after income tax		**367,143**	271,126
Adjustments for:			
– Income tax expense	9(a)	**56**	*
– Net fair value gain on investment properties and investment property under development	14(a)	**(50,798)**	(30,757)
– Interest income		**(2,634)**	(246)
– Borrowing costs	7	**45,019**	40,108
– Manager's management fees paid/payable in units		**3,012**	2,988
– Amortisation of rental incentives		**(1,461)**	(4,552)
– Depreciation	15	**55**	40
– Share of joint ventures' results		**(76,506)**	(26,138)
– Net foreign exchange differences		**(389)**	21
Operating cash flows before working capital changes		**283,497**	252,590
Change in operating assets and liabilities			
– Trade and other receivables		**830**	(3,583)
– Trade and other payables		**1,395**	(4,388)
– Other current assets		**834**	84
Cash generated from operations		**286,556**	244,703
Interest received		**362**	245
Income tax paid	9(b)	**(32)**	(*)
Net cash provided by operating activities		**286,886**	244,948
Cash flows from investing activities			
Additions to investment properties and investment property under development		**(50,108)**	(131,518)
Acquisition of a subsidiary, net of cash received	18	**–**	(252,616)
Additions to plant and equipment		**(37)**	(140)
Investment in a joint venture		**(394,264)**	–
Loan to a joint venture		**(333,180)**	–
Repayment of loan from a joint venture		**330,389**	–
Distributions received from joint ventures		**17,775**	14,622
Net cash used in investing activities		**(429,425)**	(369,652)
Cash flows from financing activities			
Repayment of bank loans		**(874,957)**	(598,805)
Payment of financing fees		**(2,230)**	(1,758)
Gross proceeds from bank loans		**904,746**	772,576
Net proceeds from issuance of new units		**393,614**	198,964
Distribution to Unitholders		**(219,263)**[1]	(203,959)[2]
Interest paid		**(43,650)**	(39,723)
Payment of lease liabilities		**(2,307)**[3]	–
Net cash provided by financing activities		**155,953**	127,295
Net increase in cash and cash equivalents		**13,414**	2,591
Cash and cash equivalents at beginning of financial year		**40,010**	37,419
Effects of currency translation on cash and cash equivalents		**12**	*
Cash and cash equivalents at end of financial year	11	**53,436**	40,010

* Amount less than $1,000

1 Excludes $4.4 million distributed through the issuance of 2,172,035 new units in MIT in FY19/20 as part payment of distributions for the period from 20 February 2019 to 31 March 2019, pursuant to the Distribution Reinvestment Plan ("DRP").

2 Excludes $55.8 million distributed through the issuance of 29,239,867 new units in MIT in FY18/19 as part payment of distributions for the period from 1 July 2018 to 19 February 2019, pursuant to the DRP.

3 Includes payment of finance cost for lease liabilities.

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings, interest payable and prepaid financing fees		Lease liabilities	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Balance at beginning of year	**1,402,404**	1,223,261	**–**	–
Principal repayments and interest payments	**(16,091)**	132,290	**(2,307)**	–
Adoption of SFRS(I) 16	**–**	–	**25,502**	–
Borrowing cost	**44,552**	41,306	**1,104**	–
Non-cash movements:				
– Foreign exchange movement	**6,124**	4,561	**–**	–
– Fair value changes on derivative financial instruments	**1,990**	986	**–**	–
– Addition of lease liabilities	**–**	–	**854**	–
Balance at end of year	**1,438,979**	1,402,404	**25,153**	–

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
OPERATIONS				
Balance at beginning of year	**952,473**	941,088	**908,907**	915,043
Profit for the year	**367,143**	271,126	**311,423**	253,605
Distributions	**(223,665)**	(259,741)	**(223,665)**	(259,741)
Balance at end of year	**1,095,951**	952,473	**996,665**	908,907
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of year	**2,100,514**	1,839,263	**2,100,514**	1,839,263
Issue of new units pursuant to the private placement	**399,999**	201,035	**399,999**	201,035
Issue of new units pursuant to the DRP	**4,402**	55,781	**4,402**	55,781
Manager's management fees paid in units	**2,567**	3,143	**2,567**	3,143
Manager's acquisition fee paid in units	**–**	3,363	**–**	3,363
Issue expenses	**(6,385)**	(2,071)	**(6,385)**	(2,071)
Balance at end of year	**2,501,097**	2,100,514	**2,501,097**	2,100,514
HEDGING RESERVE				
Balance at beginning of year	**(5,340)**	393	**(2,772)**	(133)
Fair value losses	**(24,144)**	(3,939)	**(24,144)**	(3,939)
Cash flow hedges realised and transferred to borrowing cost (Note 7)	**1,258**	1,300	**1,258**	1,300
Share of hedging reserves of a joint venture	**(10,361)**	(3,094)	**–**	–
Balance at end of year	**(38,587)**	(5,340)	**(25,658)**	(2,772)
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of year	**(121)**	(672)	**–**	–
Net translation differences relating to financial statements of foreign joint ventures	**1,781**	551	**–**	–
Balance at end of year	**1,660**	(121)	**–**	–
Total Unitholders' funds at the end of the year	**3,560,121**	3,047,526	**3,472,104**	3,006,649

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

PORTFOLIO STATEMENT
AS AT 31 MARCH 2020

Description of property/cluster[1]	Acquisition date	Term of lease*	Remaining term of lease*	Location
Investment properties held under MIT				
Hi-Tech Buildings				
1 & 1A Depot Close	01/07/2008	60 years	48 years	1 & 1A Depot Close Singapore
7 Tai Seng Drive[2]	27/06/2018	30 + 30 years	33 years	7 Tai Seng Drive Singapore
26A Ayer Rajah Crescent	27/01/2015[3]	30 years	23 years	26A Ayer Rajah Crescent Singapore
30A Kallang Place	01/07/2008	33 years	21 years	30A Kallang Place Singapore
K&S Corporate Headquarters	04/10/2013[3]	30 + 28.5 years	51 years	23A Serangoon North Avenue 5 Singapore
Kolam Ayer 2[4]	01/07/2008	43 years	31 years	155, 155A & 161 Kallang Way Singapore
Mapletree Sunview 1	13/07/2018[3]	30 years	27 years	12 Sunview Drive Singapore
Serangoon North	01/07/2008	60 years	48 years	6 Serangoon North Avenue 5 Singapore
Toa Payoh North 1	01/07/2008	30 years	18 years	970, 978, 988 & 998 Toa Payoh North Singapore
Woodlands Central	01/07/2008	60 years	48 years	33 & 35 Marsiling Industrial Estate Road 3 Singapore
Flatted Factories				
Chai Chee Lane	26/08/2011	60 years	51 years	510, 512 & 514 Chai Chee Lane Singapore
Changi North	01/07/2008	60 years	48 years	11 Changi North Street 1 Singapore
Clementi West	01/07/2008	30 years	18 years	1 Clementi Loop Singapore
Kaki Bukit	01/07/2008	60 years	48 years	2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore

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

Gross revenue		Average occupancy rate		Latest valuation date	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY19/20 $'000	FY18/19 $'000	**FY19/20 %**	FY18/19 %	**date**	**31/03/2020 $'000**	31/03/2019 $'000	**31/03/2020 %**	31/03/2019 %
38,701	38,204	**100.0**	100.0	31/03/2020	**410,500**	394,000	**11.6**	12.9
4,383	–	**93.9**	–	31/03/2020	**99,000**	Reclassified	**2.8**	–
8,902	8,727	**100.0**	100.0	31/03/2020	**125,000**	125,000	**3.5**	4.1
11,911	5,736	**93.5**	22.5	31/03/2020	**103,800**	98,200	**2.9**	3.2
8,128	7,996	**98.4**	98.7	31/03/2020	**66,000**	61,700	**1.9**	2.0
–	–	**–**	–	31/03/2020	**112,000**	Reclassified	**3.2**	–
4,740	3,145	**100.0**	92.9	31/03/2020	**75,000**	75,000	**2.1**	2.5
19,233	18,042	**99.2**	94.3	31/03/2020	**186,600**	182,000	**5.2**	6.0
13,271	13,118	**92.1**	90.3	31/03/2020	**111,000**	111,000	**3.1**	3.6
11,490	11,206	**99.2**	98.4	31/03/2020	**116,500**	114,000	**3.3**	3.8
11,967	12,406	**88.0**	87.9	31/03/2020	**151,000**	151,000	**4.3**	5.0
1,781	1,763	**94.0**	92.5	31/03/2020	**20,100**	19,700	**0.5**	0.6
4,396	4,366	**92.0**	87.6	31/03/2020	**35,900**	36,300	**1.0**	1.2
14,483	16,790	**69.7**	72.0	31/03/2020	**206,400**	203,000	**5.8**	6.7

Description of property/cluster[1]	Acquisition date	Term of lease*	Remaining term of lease*	Location
Flatted Factories (continued)				
Kallang Basin 1	26/08/2011	20 years	11 years	5 & 7 Kallang Place Singapore
Kallang Basin 2	26/08/2011	20 years	11 years	9 & 11 Kallang Place Singapore
Kallang Basin 3	26/08/2011	30 years	21 years	16 Kallang Place Singapore
Kallang Basin 4	01/07/2008	33 years	21 years	26, 26A, 28 & 30 Kallang Place Singapore
Kallang Basin 5	01/07/2008	33 years	21 years	19, 21 & 23 Kallang Avenue Singapore
Kallang Basin 6	01/07/2008	33 years	21 years	25 Kallang Avenue Singapore
Kampong Ampat	01/07/2008	60 years	48 years	171 Kampong Ampat Singapore
Kampong Ubi	26/08/2011	60 years	51 years	3014A, 3014B & 3015A Ubi Road 1 Singapore
Kolam Ayer 1	01/07/2008	43 years	31 years	8, 10 & 12 Lorong Bakar Batu Singapore
Kolam Ayer 2	01/07/2008	43 years	31 years	155, 155A & 161 Kallang Way Singapore
Kolam Ayer 5	01/07/2008	43 years	31 years	1, 3 & 5 Kallang Sector Singapore
Loyang 1	01/07/2008	60 years	48 years	30 Loyang Way Singapore
Loyang 2	01/07/2008	60 years	48 years	2, 4 & 4A Loyang Lane Singapore
Redhill 1	01/07/2008	30 years	18 years	1001, 1001A & 1002 Jalan Bukit Merah Singapore
Redhill 2	01/07/2008	30 years	18 years	1003 & 3752 Bukit Merah Central Singapore
Tanglin Halt	01/07/2008	56 years	44 years	115A & 115B Commonwealth Drive Singapore

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

Gross revenue		Average occupancy rate		Latest valuation	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY19/20 $'000	FY18/19 $'000	**FY19/20 %**	FY18/19 %	date	**31/03/2020 $'000**	31/03/2019 $'000	**31/03/2020 %**	31/03/2019 %
2,894	2,838	**93.6**	90.2	31/03/2020	**15,500**	16,600	**0.4**	0.5
4,955	5,078	**87.5**	89.1	31/03/2020	**28,000**	30,100	**0.8**	1.0
7,591	7,663	**87.4**	86.0	31/03/2020	**75,000**	77,400	**2.1**	2.5
7,903	7,814	**89.9**	84.7	31/03/2020	**72,700**	72,600	**2.0**	2.4
6,109	6,099	**91.8**	91.5	31/03/2020	**55,900**	55,400	**1.5**	1.8
4,630	4,397	**89.6**	85.4	31/03/2020	**41,200**	40,400	**1.1**	1.3
11,554	11,390	**99.9**	98.7	31/03/2020	**120,000**	116,000	**3.4**	3.8
10,894	10,864	**96.2**	95.9	31/03/2020	**126,000**	125,000	**3.5**	4.1
7,135	7,224	**91.4**	92.5	31/03/2020	**76,100**	75,200	**2.1**	2.5
4,947	6,865	**67.9**	87.1	31/03/2020	**Reclassified[4]**	70,200	**–**	2.3
9,510	9,094	**98.3**	90.7	31/03/2020	**91,000**	89,000	**2.6**	2.9
5,817	5,937	**82.0**	82.0	31/03/2020	**66,900**	66,300	**1.9**	2.2
4,084	3,778	**96.0**	82.1	31/03/2020	**41,400**	40,400	**1.2**	1.3
6,479	6,594	**90.4**	89.8	31/03/2020	**57,300**	61,800	**1.6**	2.0
5,284	5,496	**84.3**	86.7	31/03/2020	**50,600**	53,000	**1.4**	1.7
4,289	4,263	**95.1**	93.6	31/03/2020	**47,000**	47,000	**1.3**	1.5

PORTFOLIO STATEMENT
AS AT 31 MARCH 2020

Description of property/cluster[1]	Acquisition date	Term of lease*	Remaining term of lease*	Location
Flatted Factories (continued)				
Tiong Bahru 1	01/07/2008	30 years	18 years	1090 Lower Delta Road Singapore
Tiong Bahru 2	01/07/2008	30 years	18 years	1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore
Toa Payoh North 2	01/07/2008	30 years	18 years	1004 Toa Payoh North Singapore
Toa Payoh North 3	01/07/2008	30 years	18 years	1008 & 1008A Toa Payoh North Singapore
Business Park Buildings				
The Signature	01/07/2008	60 years	48 years	51 Changi Business Park Central 2 Singapore
The Strategy	01/07/2008	60 years	48 years	2 International Business Park Singapore
The Synergy	01/07/2008	60 years	48 years	1 International Business Park Singapore
Stack-up/Ramp-up Buildings				
Woodlands Spectrum 1 & 2	01/07/2008	60 years	48 years	2 Woodlands Sector 1, 201, 203, 205, 207, 209 and 211 Woodlands Avenue 9 Singapore
Light Industrial Building				
2A Changi North Street 2	28/05/2014	30 + 30 years	41 years	2A Changi North Street 2 Singapore
Subtotal – Investment properties held under MIT				
Investment property under development held under MIT				
Hi-Tech Building				
7 Tai Seng Drive	27/06/2018	30 + 30 years	33 years	7 Tai Seng Drive Singapore
Subtotal – Investment property under development held under MIT				
Subtotal – MIT				

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

	Gross revenue		Average occupancy rate		Latest valuation date	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 %**	FY18/19 %		**31/03/2020 $'000**	31/03/2019 $'000	**31/03/2020 %**	31/03/2019 %
	2,254	2,176	**87.3**	83.3	31/03/2020	**18,900**	19,300	**0.5**	0.6
	7,497	7,367	**90.1**	87.6	31/03/2020	**64,400**	65,300	**1.8**	2.1
	2,571	2,559	**93.6**	92.8	31/03/2020	**19,800**	20,500	**0.6**	0.7
	3,072	2,915	**93.2**	89.3	31/03/2020	**25,500**	26,500	**0.7**	1.0
	14,100	14,181	**88.4**	88.8	31/03/2020	**151,800**	151,000	**4.3**	5.0
	21,921	20,800	**80.1**	72.4	31/03/2020	**301,100**	298,000	**8.5**	9.8
	11,113	11,535	**82.8**	84.0	31/03/2020	**135,400**	132,000	**3.8**	4.3
	44,358	43,853	**91.6**	90.3	31/03/2020	**488,700**	473,000	**13.7**	15.5
	182	1,164	**15.6**	100.0	31/03/2020	**13,200**	14,500	**0.4**	0.5
	364,529	353,443				**4,002,200**	3,807,400		
	–	260	**–**	14.8	31/03/2020	**Reclassified[2]**	82,100	**–**	2.7
		260					82,100		
	364,529	353,703				**4,002,200**	3,889,500		

PORTFOLIO STATEMENT
AS AT 31 MARCH 2020

Description of property/cluster[1]	Acquisition date	Term of lease*	Remaining term of lease*	Location
Investment properties held under Mapletree Singapore Industrial Trust ("MSIT")				
Hi-Tech Buildings				
19 Tai Seng Drive	21/10/2010	30 + 30 years	31 years	19 Tai Seng Drive Singapore
STT Tai Seng 1	21/10/2010	30 + 30 years	49 years	35 Tai Seng Street Singapore
Light Industrial Buildings				
19 Changi South Street 1	21/10/2010	30 + 30 years	37 years	19 Changi South Street 1 Singapore
26 Woodlands Loop	21/10/2010	30 + 30 years	35 years	26 Woodlands Loop Singapore
45 Ubi Road 1	21/10/2010	30 + 30 years	33 years	45 Ubi Road 1 Singapore
Subtotal – MSIT				
Investment property held under MIT Tai Seng Trust ("MITTST")				
Hi-Tech Building				
18 Tai Seng	01/02/2019	30 years	24 years	18 Tai Seng Street Singapore
Subtotal – MITTST				

Gross revenue / investment properties and investment property under development – Group[5]
Right-of-use assets (Note 14)
Total investment properties (Note 14)
Investments in joint ventures (Note 20)
Other assets and liabilities (net) – Group
Net assets attributable to Unitholders – Group

* Refers to the tenure of underlying land. Remaining term of lease includes option to renew the land leases.

1 A cluster consists of one or more individual buildings situated on the same land lot or adjoining land lots.
2 The acquisition of 7 Tai Seng Drive was completed on 27 June 2018. The upgraded data centre at 7 Tai Seng Drive had obtained its Temporary Occupation Permit ("TOP") on 3 July 2019 and was reclassified as an investment property. The lease commenced on 20 July 2019. As at 31 March 2020, the occupancy rate was 100%.
3 Refers to TOP date.
4 The proposed redevelopment of the Kolam Ayer 2 Cluster into a high-tech industrial precinct is expected to commence in the second half of 2020. Provisional Permission for the proposed development was granted by the Urban Redevelopment Authority on 6 December 2019. On 31 March 2020, the Kolam Ayer 2 Cluster was reclassified from a Flatted Factory to a Hi-Tech Building Cluster.
5 Investment properties comprise a portfolio of industrial buildings that are leased to external customers.

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

Gross revenue		Average occupancy rate		Latest valuation date	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY19/20 $'000	FY18/19 $'000	**FY19/20 %**	FY18/19 %		**31/03/2020 $'000**	31/03/2019 $'000	**31/03/2020 %**	31/03/2019 %
2,318	2,274	**100.0**	100.0	31/03/2020	**22,500**	21,800	**0.6**	0.7
10,998	10,784	**100.0**	100.0	31/03/2020	**94,000**	95,700	**2.7**	3.1
1,204	1,249	**85.5**	85.5	31/03/2020	**12,800**	13,000	**0.4**	0.4
2,443	2,190	**100.0**	100.0	31/03/2020	**25,500**	25,500	**0.7**	0.8
2,396	2,418	**99.2**	98.9	31/03/2020	**22,500**	22,500	**0.6**	0.7
19,359	18,915				**177,300**	178,500		
21,970	3,483	**96.6**	91.5	31/03/2020	**268,400**	268,300	**7.5**	8.8
21,970	3,483				**268,400**	268,300		
405,858	376,101				**4,447,900**	4,336,300	**124.9**	142.3
					25,153	–	**0.7**	–
					4,473,053	4,336,300	**125.6**	142.3
					642,198	194,101	**18.0**	6.4
					(1,555,130)	(1,482,875)	**(43.6)**	(48.7)
					3,560,121	3,047,526	**100.0**	100.0

The carrying amounts of the Singapore investment properties were based on independent valuations as at 31 March 2020. The independent valuer's valuation methods and estimates were based on information provided and prevailing market data as at 31 March 2020. The valuations were undertaken by Savills Valuation and Professional Services (S) Pte. Ltd. ("Savills"), an independent valuer. Savills has appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the Income Capitalisation method, Discounted Cash Flow method and Residual Land Value method, where applicable as described in Note 14(d). It is the intention of the Group and MIT to hold the investment properties for the long term.

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

1. GENERAL INFORMATION

Mapletree Industrial Trust ("MIT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 29 January 2008 (as amended) between Mapletree Industrial Fund Management Pte. Ltd. and Mapletree Trustee Pte. Ltd.. The Trust Deed is governed by the laws of the Republic of Singapore. Mapletree Industrial Trust Management Ltd. (the "Manager") replaced Mapletree Industrial Fund Management Pte. Ltd. as Manager of MIT on 27 September 2010 and DBS Trustee Limited (the "Trustee") replaced Mapletree Trustee Pte. Ltd. as Trustee of MIT on 27 September 2010.

MIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 October 2010 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 6 September 2010.

The principal activity of MIT and its subsidiaries (the "Group") is to invest in a diverse portfolio of industrial properties and data centres with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

In addition to the Trust Deed, MIT has entered into several service agreements in relation to the management of MIT and its property operations. The fee structures for the services are as follows:

(A) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of Group ("Deposited Property") (subject to a minimum of $12,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Trustee's fees are payable monthly in arrears out of the Deposited Property of the Group. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current arrangement between the Manager and the Trustee, the Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $12,000 per month).

(B) Manager's Management fees

The Manager is entitled under the Trust Deed to receive the following remuneration:

(i) A base fee of 0.5% per annum of the value of MIT's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) A performance fee of 3.6% per annum of the net property income of MIT or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager will be paid in the form of cash and/or units. The base and performance fees are paid quarterly and annually, in arrears respectively.

1. GENERAL INFORMATION (CONTINUED)

(C) Acquisition, Divestment and Development Management fees

The Manager is entitled to receive the following fees (if not prohibited by the Property Funds Appendix or if otherwise permitted):

(i) an acquisition fee not exceeding 1.0% of the acquisition price of real estate or real estate-related assets acquired directly or indirectly, through one or more Special Purpose Vehicles ("SPV"), pro-rated if applicable to the proportion of MIT's interest. For the purpose of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate;

(ii) a divestment fee not exceeding 0.5% of the sale price of real estate-related assets disposed, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate; and

(iii) a development management fee not exceeding 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of MIT.

The acquisition and divestment fees will be paid in the form of cash and/or units and are payable as soon as practicable after completion of the acquisition and disposal respectively.

The development management fee will be paid in the form of cash and is payable in equal monthly instalments over the construction period based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs are finalised.

(D) Property Manager's Management fees

(i) Property management services

The Trustee will pay Mapletree Facilities Services Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), a fee of up to 2.0% per annum of the gross revenue of each property.

(ii) Lease management services

The Trustee will pay the Property Manager, for each fiscal year, a fee of up to 1.0% per annum of the gross revenue of each property.

(iii) Marketing services

The Trustee will pay the Property Manager, the following commissions:

- Up to 1 month's gross rent inclusive of service charge, for securing a tenancy of 3 years or less;
- Up to 2 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years;
- Up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of 3 years or less; or
- Up to 1 month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than 3 years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to a marketing services commission of:

- Up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of 3 years or less; or
- Up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years.

1. GENERAL INFORMATION (CONTINUED)

(D) Property Manager's Management fees (continued)

(iv) Project management services

The Trustee will pay the Property Manager, for each development or redevelopment, the refurbishment, retrofitting and renovation work of a property located in Singapore, the following fees:

- Where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;
- Where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs or $60,000, whichever is the higher;
- Where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs or $400,000, whichever is the higher; and
- Where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

The Property Manager's fees will be paid in the form of cash and are payable monthly, in arrears.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

These financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, have been prepared 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 area involving a higher degree of judgment, where assumptions and estimates are significant to the financial statements, is disclosed in Note 14 – Investment properties and investment property under development. The assumptions and estimates were used by the independent valuer in arriving at their valuations.

Interpretations and amendments to published standards effective in FY19/20

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 accounting policies of the Group and MIT and had no material effect on the amounts reported for the current or prior financial years except for:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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 balance sheet. 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 2.20.

The Group has adopted SFRS(I) 16 using the modified retrospective approach and 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 *Lease* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Leases*, 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) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review; and

(b) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application.

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 which meet the definition of an investment property at their fair values at 1 April 2019; and

(ii) Recognised its lease liabilities by discounting the remaining lease payments using the incremental borrowing rate for each individual lease as at 1 April 2019.

(b) When the Group is the lessor

The Group leases its investment properties. The Group classifies these lease 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
Investment properties	25,502
Borrowings	25,502

The difference 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 is due to non-lease component of $7,580,000 and the discounting effect of the remaining lease payments using the weighted average incremental borrowing rate of 4.19% of $14,959,000.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax ("GST"), rebates and discounts.

Revenue is recognised as follows:

(a) Rental income and service charges from operating leases

Rental income and service charges (net of any incentives given to the lessees) from operating leases on the investment properties are recognised on a straight-line basis over the lease term.

(b) Other operating income

Other operating income comprises carpark income and other ancillary income. Other operating income is recognised when the right to receive payment is established after services have been rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Investment income

Distribution 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.

2.3 Government grants

Grants from government are recognised as receivable at their fair value when there is reasonable assurance that the grant 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.

2.4 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property expenses are Property Manager's fees which are based on the applicable formula stipulated in Note 1(D).

(b) Manager's management fees

Manager's management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(B).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The Manager 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 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 from investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in the Statements of Profit or Loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MIT for the income earned and expenditure incurred after its listing on the SGX-ST.

Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of MIT, the Trustee will not be taxed on the portion of taxable income of MIT that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of MIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income tax (continued)

Although MIT is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from the distributions of such taxable income of MIT (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. The Trustee and the Manager will not deduct tax from the distributions made out of MIT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- A Singapore branch of a foreign company;
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act; and
- Real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the gains without tax being deducted at source.

2.6 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 investment 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 that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities 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 changed where necessary to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 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 the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

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

(iii) Disposals

When a change in MIT'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 the Statements of Profit or Loss or transferred directly to retained earnings if required by a specific standard.

Any retained 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 the Statements of Profit or Loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries in Note 2.7.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(b) Transactions with non-controlling interests

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

(c) Joint ventures

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 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 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 joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the identifiable net assets of the 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 Group's share of its joint ventures' post-acquisition profits or losses of the investee in the Statements of 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 joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in joint ventures equals to or exceeds its interest in the joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint ventures. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former 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 joint control ceases, and its fair value and any proceeds on partial disposal, is recognised in the Statements of Profit or Loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Trust.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in MIT's Statement of Financial Position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the Statements of Profit or Loss.

2.8 Financial assets

(a) Classification and measurement

The Group classifies its financial assets as amortised cost.

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.

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus directly attributable transaction costs.

(ii) At subsequent measurement

Financial assets mainly comprise of cash and cash equivalents, trade and other receivables, other current assets (except prepayments) and loans to subsidiaries that are subsequently carried at amortised cost.

Financial assets 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 financial assets that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statements of 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.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade 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

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

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the Statements of Profit or Loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the Statements of Profit or Loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Borrowing costs

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

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Investment properties and property under development

Investment properties are properties that are held for long-term rental yields and/or for capital appreciation and right-of-use assets relating to leasehold land that is held for long-term capital appreciation. Investment property under development includes property that is being constructed or developed for future use as an investment property. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Investment properties are accounted for as non-current assets and are initially recognised at cost including transaction costs and borrowing costs and subsequently carried at fair value. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuer at least once a year, on the highest and best-use basis in accordance with the CIS Code. Changes in fair values are recognised in the Statements of Profit or Loss.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations, improvements and initial direct costs incurred in negotiating and arranging leases relating to the investment properties are capitalised and the carrying amounts of the replaced components are written off to the Statements of Profit or Loss. The costs of maintenance, repairs and minor improvements are charged to the Statements of Profit or Loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the Statements of Profit or Loss.

2.11 Cash and cash equivalents

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses.

The cost of an item of plant and equipment initially recognised 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 plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful life
Plant and equipment	3 – 5 years

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

(c) Subsequent expenditure

Subsequent expenditure relating to 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 in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the Statements of Profit or Loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the Statements of Profit or Loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets 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 Cash Generating Unit ("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 the Statements of Profit or Loss.

An impairment loss for an asset is reversed if, and 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 this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) 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 Statements of Profit or Loss, unless the asset is carried 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 the Statements of Profit or Loss.

2.14 Financial guarantees accounted for as insurance contracts

Corporate guarantees issued by MIT to banks for borrowings are financial guarantees as MIT is require to reimburse the banks for any default payment in accordance with the terms of the borrowings. MIT has issued corporate guarantees to banks for bank borrowings of its subsidiary and joint ventures. These financial guarantees are accounted for as insurance contracts. Provision is recognised based on MIT's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract. Intra-group transactions are eliminated on consolidation.

2.15 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 the Statements of Profit or Loss over the period of the borrowings using the effective interest method.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the 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.

2.17 Derivative financial instruments and hedging activities

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) fair value hedge; (b) cash flow 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 the Statements of 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 value of various derivative financial instruments used for hedging purposes are disclosed in Note 23. 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 instrument is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged instrument is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedges in placed at reporting date 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.

(a) 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 the Statements of Profit or Loss. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in the Statements of 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 the Statements of Profit or Loss and presented separately in "other gains and losses".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Derivative financial instruments and hedging activities (continued)

(b) 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 the Statements of Profit or Loss when the hedged interest expense on the borrowings is recognised in the Statements of Profit or Loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the Statements of Profit or Loss.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges and are used to hedge the highly probable forecasted foreign currency dividend income receivable from the investments in joint ventures. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to the Statements of Profit or Loss upon receipt of the dividend income.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in the Statements of Profit or Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in hedging reserve are reclassified to the Statements of Profit or Loss immediately.

(c) Net investment hedge

The Group has foreign currency 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 borrowings relating to the effective portion of the hedge are accumulated in the foreign currency translation reserve and reclassified to the Statements of Profit or Loss as part of the gain or loss on disposal of the foreign operations. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in the Statements of Profit or Loss.

2.18 Fair value estimation of financial assets and liabilities

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

The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 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.

2.20 Leases

The accounting policy for leases from 1 April 2019 are as follows:

(a) 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. The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

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 asset which meets the definition of an investment property is presented within “Investment properties” and accounted for in accordance with Note 2.10.

(ii) Lease liabilities

The initial measurement of lease liability is 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; and
– Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date.

For contract 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 component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability 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 liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in the Statements of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (continued)

The accounting policy for leases from 1 April 2019 are as follows: (continued)

(b) When the Group is the lessor

The accounting policy applicable to the Group as a lessor in the comparative period remains 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.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

The accounting policy for leases before 1 April 2019 are as follows:

(c) When the Group is the lessee

The Group leases land from non-related parties under non-cancellable operating lease agreements.

Leases where substantially all 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 lessors) are recognised in the Statements of Profit or Loss on a straight-line basis over the period of the lease.

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

(d) 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. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the Statements of Profit or Loss on a straight-line basis over the lease term.

2.21 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 MIT.

(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 prevailing at the dates of the transactions. Currency translation resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statements of Profit or Loss, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within the Statement of Movements in Unitholders' Funds of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Currency translation (continued)

(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 rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average rate 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 exchange differences are taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve. When a foreign operation is sold, such currency translation differences recorded in the foreign currency translation reserve are recognised in the Statements of Profit or Loss as part of the gain or loss on sale.

2.22 Units and unit issuance expenses

Proceeds from the issuance of Units in MIT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new Units are deducted directly from the net assets attributable to the Unitholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.24 Distribution policy

MIT's distribution policy is to distribute at least 90% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses and allowances, as well as interest income from the placement of periodic cash surpluses in bank deposits. Distributions, when paid, will be in Singapore Dollars.

3. GROSS REVENUE

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Rental income and service charges	**379,130**	350,287	**340,461**	328,443
Other operating income	**26,728**	25,814	**24,068**	25,260
	405,858	376,101	**364,529**	353,703

Gross revenue is generated by the Group's and MIT's investment properties.

Other operating income comprises of car park revenue and other income attributable to the operations of the properties. Majority of the Group's and MIT's gross revenue is earned over time.

The Group's and MIT's revenue are derived in Singapore.

4. PROPERTY OPERATING EXPENSES

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Operation and maintenance	**37,037**	38,601	**34,170**	37,150
Property tax	**31,483**	29,144	**28,665**	27,852
Property and lease management fees	**12,129**	11,252	**10,888**	10,580
Marketing expenses	**6,535**	6,760	**6,016**	6,628
Land rental expenses on operating leases	**–**	2,149	**–**	939
Other operating expenses	**605**	425	**549**	405
	87,789	88,331	**80,288**	83,554

All of the Group's and MIT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

The land rental expenses on operating leases is accounted for in accordance with SFRS(I) 16 from 1 April 2019.

5. INTEREST INCOME

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Financial assets measured at amortised cost				
– loan to a joint venture	**2,268**	–	**2,268**	–
– loan to a subsidiary	**–**	–	**4,561**	732
– fixed deposits	**131**	31	**91**	26
– third parties	**235**	215	**205**	213
	2,634	246	**7,125**	971

6. INVESTMENT INCOME

	MIT	
	FY19/20 $'000	FY18/19 $'000
Distribution income from:		
– subsidiaries	**24,296**	15,191
– joint ventures	**24,144**	15,192
	48,440	30,383

7. BORROWING COSTS

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Interest expense				
– Bank borrowings	**28,289**	25,307	**28,289**	25,307
– Medium term notes	**13,854**	13,794	**–**	–
– Loans from a subsidiary	**–**	–	**13,854**	13,794
– Finance cost on lease liabilities	**1,104**	–	**559**	–
	43,247	39,101	**42,702**	39,101
Financing fees	**1,462**	1,206	**1,462**	1,206
Cash flow hedges reclassified from hedging reserves (Note 24)	**1,258**	1,300	**1,258**	1,300
Finance income on interest rate swap treated as fair value hedge	**(311)**	(301)	**(311)**	(301)
Fair value (gains)/losses on derivative financial instrument (Note 23)	**(1,990)**	(986)	**(1,990)**	(986)
Fair value adjustment on hedged item (Note 22)	**1,990**	986	**1,990**	986
	–	–	**–**	–
Less: Borrowing costs capitalised in investment property under development [Note 14 (a)]	**(637)**	(1,198)	**(637)**	(1,198)
Borrowing costs recognised in the Statements of Profit or Loss	**45,019**	40,108	**44,474**	40,108

8. OTHER TRUST EXPENSES

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Listing expenses	**886**	978	**886**	978
Valuation fee	**113**	109	**97**	104
Audit fee	**153**	139	**133**	126
Legal and other professional fees	**372**	775	**347**	759
	1,524	2,001	**1,463**	1,967

9. INCOME TAX

(a) Income tax expense

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Tax expense attributable to profit is made up of:				
– Current income tax	**56**	*	**56**	–
Over provision in prior financial year				
– Current income tax	**(*)**	*	**–**	–
	56	*	**56**	–

* Amount less than $1,000

The tax on total profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Profit before tax	**367,199**	271,126	**311,479**	253,605
Share of joint ventures' results	**(76,506)**	(26,138)	**–**	–
Profit before tax excluding share of joint ventures' results	**290,693**	244,988	**311,479**	253,605
Tax calculated at a tax rate of 17% (FY18/19: 17%)	**49,418**	41,648	**52,951**	43,113
Effects of:				
– Expenses not deductible for tax purposes	**788**	1,159	**788**	1,159
– Income not subjected to tax due to tax transparency ruling (Note 2.5)	**(41,514)**	(37,578)	**(43,844)**	(39,409)
– Net fair value gain on investment properties and investment property under development	**(8,636)**	(5,229)	**(9,839)**	(4,863)
– Over provision in prior financial year	**(*)**	*	**–**	–
	56	*	**56**	–

* Amount less than $1,000

9. INCOME TAX (CONTINUED)

(b) Current income tax liabilities

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Beginning of financial year	**240**	32	**32**	32
Tax expense	**56**	*	**56**	–
Over provision in prior financial year	**(*)**	*	**–**	–
Income tax paid	**(32)**	(*)	**(32)**	–
Acquisition of a subsidiary	**–**	208	**–**	–
End of financial year	**264**	240	**56**	32

* Amount less than $1,000

The income tax liabilities relate to taxable income of MIT, Mapletree Industrial Trust Treasury Company Pte. Ltd and MITTST when it was a private trust.

10. EARNINGS PER UNIT

	Group	
	FY19/20	FY18/19
Total profit attributable to Unitholders of the Group ($'000)	**367,143**	271,126
Weighted average number of units outstanding during the year ('000)	**2,114,207**	1,902,627
Basic and diluted earnings per unit (cents per unit)	**17.37**	14.25

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year.

11. CASH AND CASH EQUIVALENTS

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Cash at bank	**39,436**	21,010	**34,490**	14,308
Short–term bank deposits	**14,000**	19,000	**–**	8,000
	53,436	40,010	**34,490**	22,308

Short-term bank deposits as at 31 March 2020 have a weighted average maturity of approximately 1 month (31 March 2019: 1 month). The interest rates ranged from 0.25% to 0.92% (31 March 2019: 1.40% to 1.61%) per annum.

12. TRADE AND OTHER RECEIVABLES

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Trade receivables				
– third parties	**1,660**	1,855	**1,421**	1,512
– subsidiaries	**–**	–	**2**	–
Less : Allowance for impairment of receivables	**–**	–	**–**	–
Trade receivables – net	**1,660**	1,855	**1,423**	1,512
Interest receivables				
– third parties	**4**	1	**–**	1
– subsidiary	**–**	–	**449**	732
– joint venture	**2,328**	–	**2,328**	–
Distribution receivable				
– subsidiaries	**–**	–	**5,771**	5,022
– joint ventures	**9,842**	3,804	**9,842**	3,804
Other receivables				
– third parties	**200**	26,893	**119**	21,202
– related party	**–**	–	**–**	2
Accrued revenue	**1,125**	932	**1,047**	810
Net GST receivable	**1**	2	**–**	–
	15,160	33,487	**20,979**	33,085

Other receivables due from a related party (non-trade) is unsecured, interest free and repayable on demand.

13. OTHER CURRENT ASSETS

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Prepayments	**918**	1,564	**900**	987
Deposits	**42**	163	**20**	151
	960	1,727	**920**	1,138

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT

(a) Investment properties and investment property under development

	Group		MIT	
	Investment properties $'000	Investment property under development $'000	Investment properties $'000	Investment property under development $'000
31 March 2020				
Beginning of financial year	**4,254,200**	**82,100**	**3,807,400**	**82,100**
Adoption of SFRS(I) 16 (Note 2.1)	**25,502**	**–**	**12,403**	**–**
Additions during the year[1]	**28,332**	**4,391**	**27,632**	**4,391**
Net transfers during the year	**86,491**	**(86,491)**	**86,491**	**(86,491)**
Net fair value gain	**78,528**	**–**	**80,848**	**–**
End of financial year	**4,473,053**	**–**	**4,014,774**	**–**
Fair value on investment properties (on net basis)	**4,447,900**	**–**	**4,002,200**	**–**
Add: Carrying amount of lease liabilities (Note 22)	**25,153**	**–**	**12,574**	**–**
Carrying amount of investment properties	**4,473,053**	**–**	**4,014,774**	**–**
31 March 2019				
Beginning of financial year	3,856,600	51,700	3,678,700	51,700
Acquisition of a subsidiary	266,208	–	–	–
Additions during the year	109,506	21,529	108,966	21,529
Net transfers during the year	(8,869)	8,869	(8,869)	8,869
Net fair value gain	30,755	2	28,603	2
End of financial year	4,254,200	82,100	3,807,400	82,100

[1] Includes remeasurement of lease liabilities, due to leasehold land rental revisions, of $854,000 and $470,000 for the Group and MIT respectively.

Net fair value changes of investment properties recognised in the Statements of Profit or Loss during the financial year comprises the following:

	Investment properties	
	Group $'000	MIT $'000
31 March 2020		
Statements of Profit or Loss		
Net fair value gain on investment properties	**79,730**	**81,147**
Net fair value loss on ROU assets	**(1,202)**	**(299)**
	78,528	**80,848**
Effects of lease incentives and marketing commission amortisation	**(27,730)**	**(22,970)**
Net fair value gain on investment properties recognised in the Statements of Profit or Loss	**50,798**	**57,878**

Details of the properties are shown in the Portfolio Statement.

During the year, borrowing costs amounting to $637,000 (FY18/19: $1,198,000) have been capitalised.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(a) Investment properties and investment property under development (continued)

Valuation processes of the Group

The Manager engaged external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use.

(b) Fair value hierarchy

The following level represents the investment properties and investment property under development at fair value and classified by level of fair value measurement hierarchy:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets;
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All properties within MIT and the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) Reconciliation of Level 3 fair value measurements

The reconciliation between the balances at the beginning of the financial year is disclosed within the investment properties and investment property under development movement table presented in Note 14(a).

(d) Valuation techniques and key unobservable inputs

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net property income is the estimated annual net rental income of the building at current rate after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

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

- Residual land value – Investment property under development are valued, as a starting point using the Income Capitalisation method and Discounted Cash Flow method to derive the fair value of the property as if the development was already completed at reporting date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop the property to completion are made to reflect the current condition of the property under development.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and investment property under development categorised under Level 3 of the fair value hierarchy:

Property segment	Valuation techniques	Key unobservable inputs[#]	Range of unobservable inputs
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	From 5.25% to 6.50% (31 March 2019: From 5.70% to 7.05%)
	Discounted cash flow	Discount rate	8.00% (31 March 2019: 7.75%)
	Residual land value	Gross development value	The same capitalisation rate and discount rate as disclosed for this property segment have been applied in determining the gross development value.
Flatted Factories	Income capitalisation	Capitalisation rate	From 6.00% to 7.25% (31 March 2019: From 6.50% to 7.75%)
	Discounted cash flow	Discount rate	8.00% (31 March 2019: From 7.75% to 9.00%)
Business Park Buildings	Income capitalisation	Capitalisation rate	5.75% (31 March 2019: 5.90%)
	Discounted cash flow	Discount rate	8.00% (31 March 2019: 7.25%)
Stack-up/Ramp-up Buildings	Income capitalisation	Capitalisation rate	6.50% (31 March 2019: 6.50%)
	Discounted cash flow	Discount rate	8.00% (31 March 2019: 7.75%)
Light Industrial Buildings	Income capitalisation	Capitalisation rate	From 6.00% to 6.25% (31 March 2019: From 6.50% to 7.00%)
	Discounted cash flow	Discount rate	8.00% (31 March 2019: 7.75%)

(#) There were no significant inter-relationships between unobservable inputs.

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs (continued)

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.
- The higher the discount rate, the lower the fair value.
- The higher the gross development value, the higher the fair value.

The significant unobservable inputs correspond to:

- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.
- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

The independent valuer's valuation methods and estimates were based on information provided and prevailing market data as at 31 March 2020. The Manager is satisfied with the appropriateness of valuation methods, assumptions and outcomes applied by the independent valuer. Subsequent events relating to impact arising from COVID-19 pandemic outbreak have been disclosed in Note 33.

15. PLANT AND EQUIPMENT

	Group and MIT	
	31 March 2020 $'000	31 March 2019 $'000
Cost		
Beginning of financial year	**262**	123
Additions	**37**	139
End of financial year	**299**	262
Accumulated depreciation		
Beginning of financial year	**79**	39
Depreciation charge	**55**	40
End of financial year	**134**	79
Net book value		
End of financial year	**165**	183

16. LEASES - WHERE THE GROUP IS A LESSEE

Nature of the Group's leasing activities

The Group and MIT lease leasehold land from non-related parties under non-cancellable lease agreements. The right-of-use of the land is classified as an investment property (Note 14).

The leases are subjected to revision of land rents at periodic intervals. There are no externally imposed covenant on these lease arrangements.

(a) Carrying amounts

The right-of-use asset relating to the leasehold land is presented under investment properties (Note 14(a)), stated at fair value and has a carrying amount at balance sheet date of $25,153,000 and $12,574,000 for the Group and MIT respectively.

(b) Interest expense

The financing costs on lease liabilities are disclosed in Note 7.

(c) Total cash outflow for all the leases in FY19/20 was $2,307,000.

(d) Future cash outflow which are not capitalised in lease liabilities

The lease payments relating lease extension period for certain leasehold lands leases had not been included in lease liabilities as the Group (and MIT) is not reasonably certain if the lease extension option will be exercised.

17. LEASES – WHERE THE GROUP AS A LESSOR

The Group and MIT lease out investment properties to related and non-related parties under non-cancellable operating leases. The leases are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment properties are disclosed in Note 3.

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

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Not later than one year	**363,160**	359,931	**324,019**	323,268
Between one and two years	**287,707**	273,726	**247,749**	240,246
Between two and three years	**196,614**	202,026	**164,063**	168,743
Between three and four years	**123,684**	135,207	**104,686**	108,315
Between four and five years	**93,076**	105,943	**77,953**	90,022
Later than five years	**485,875**	561,632	**463,183**	524,223
Total undiscounted lease payment (Note 26(c))	**1,550,116**	1,638,465	**1,381,653**	1,454,817

18. INVESTMENTS IN SUBSIDIARIES

	MIT	
	31 March 2020 $'000	31 March 2019 $'000
Equity investments at cost		
Beginning of financial year	**113,585**	*
(Write-off)/additions	**(6)**	113,585
Equity investments at cost	**113,579**	113,585

* Amount less than $1,000

On 1 February 2019, the Group acquired 100% of the equity interest in MITTST from a related party. The principal activity of MITTST is to invest in the property with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. From the Group's perspective, the transaction has been accounted for as an acquisition of a group of assets and liabilities.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group at the acquisition date, are as follows:

	$'000
Total assets	277,484
Total liabilities	(13,996)
Net assets acquired	263,488
Less: Cash and cash equivalents in subsidiary acquired	(10,872)
Cash outflow on acquisition	252,616

Details of the subsidiaries are as follows:

Name of subsidiaries	**Principal activities**	**Country of business/ incorporation**	**Equity interest held by MIT**	
			31 March 2020 %	31 March 2019 %
Mapletree Singapore Industrial Trust**	Property investment	Singapore	**100**	100
MIT Tai Seng Trust**	Property investment	Singapore	**100**	100
Mapletree Industrial Trust Treasury Company Pte. Ltd.**	Provision of treasury services	Singapore	**100**	100

** Audited by PricewaterhouseCoopers LLP, Singapore

19. LOAN TO SUBSIDIARIES

	MIT	
	31 March 2020 $'000	31 March 2019 $'000
Beginning of financial year	**323,394**	166,594
Addition	**–**	156,800
End of financial year	**323,394**	323,394

An interest free loan amounting to $166,594,000 was extended to one of its subsidiaries. The loan has no fixed repayment terms and is intended to be a long-term source of additional funding for the subsidiary. Settlement of these loans are neither planned nor likely to occur in the foreseeable future.

In the prior year, MIT extended a loan to one of its subsidiaries amounting to $156,800,000 which is unsecured and repayable in full on 18 January 2024. The effective interest rate of the loan at reporting date is 2.90% (31 March 2019: 2.89%) per annum and the interest rates are repriced at each interest period mutually agreed between the subsidiary and MIT.

20. INVESTMENTS IN JOINT VENTURES

	MIT	
	31 March 2020 $'000	31 March 2019 $'000
Equity investments at cost	**560,850**	166,158

On 16 September 2019, MIT formed an unlisted single purpose trust, Mapletree Rosewood Data Centre Trust ("MRODCT") with Mapletree Investments Pte Ltd ("MIPL") (i) to acquire 100% interest in 10 powered shell data centres (the "Powered Shell Portfolio") and (ii) entered into a joint venture with Digital Realty Trust, L.P. ("DLR") to co-invest in three fully fitted hyperscale data centres (the "Turnkey Portfolio"). The 13 data centres are located in North America, with 12 in the United States of America and one in Canada. MRODCT held 100% interest in the Powered Shell Portfolio and 80% interest in the Turnkey Portfolio. Under the joint venture agreement, MIT and MIPL each holds 50% interest in MRODCT. MRODCT is deemed to be a joint venture of the Group as the relevant activities of the investment are decided by unanimous consent resulting in joint control over the investment.

There are no contingent liabilities relating to the Group's interest in the joint ventures. MIT issued corporate guarantees to the banks for borrowings of Mapletree Redwood Data Centre Trust ("MRDCT") and MRODCT (Note 27 (b)).

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of business/ incorporation	Equity interest held by MIT and the Group	
			31 March 2020 %	31 March 2019 %
Mapletree Redwood Data Centre Trust	Property investment	The United States/ Singapore	**40**	40
Mapletree Rosewood Data Centre Trust	Property investment	The United States/ Singapore	**50**	–

20. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures

Set out below are the summarised financial information (in SGD equivalent):

(i) MRDCT

Summarised statement of financial position

	31 March 2020 $'000	31 March 2019 $'000
Non-current assets		
Investment properties	**1,143,463**	1,086,659
Current assets		
Cash and cash equivalents	**16,936**	14,770
Other current assets	**7,554**	11,416
Total assets	**1,167,953**	1,112,845
Current liabilities	**18,123**	18,671
Non-current liabilities		
Borrowings	**622,578**	608,579
Other non-current liabilities	**40,119**	10,676
Total liabilities	**680,820**	637,926
Net assets	**487,133**	474,919

Summarised statement of comprehensive income

	31 March 2020 $'000	31 March 2019 $'000
Gross revenue	**95,704**	93,506
Property operating expenses	**(25,739)**	(24,870)
Interest expense	**(22,554)**	(21,634)
Net fair value gain of investment properties	**18,593**	23,618
Profit before income tax	**66,004**	70,620
Income tax expense	**459**	(5,277)
Profit for the financial year	**66,463**	65,343
Other comprehensive (loss)/income	**(7,054)**	8,009
Total comprehensive income	**59,409**	73,352
Dividends declared/received from joint venture	**15,798**	15,192

20. INVESTMENTS IN JOINT VENTURES (CONTINUED)

(ii) MRODCT

Summarised statement of financial position

	31 March 2020 $'000
Non-current assets	
Investment properties	813,570
Other non-current assets	1,177,964
Current assets	
Cash and cash equivalents	34,353
Other current assets	16,143
Total assets	2,042,030
Current liabilities	34,664
Non-current liabilities	
Borrowings	1,137,109
Other non-current liabilities	3,263
Total liabilities	1,175,036
Net assets	866,994

Summarised statement of comprehensive income

	Period from 16 September 2019 to 31 March 2020 $'000
Gross revenue	14,116
Property operating expenses	(5,084)
Interest expense	(10,979)
Share of joint venture's results	62,478*
Net fair value gain of investment properties	45,432
Profit before income tax	105,963
Income tax expense	(6,123)
Profit for the period	99,840
Other comprehensive loss	(11,280)
Total comprehensive income	88,560
Dividends declared/received from joint venture	8,346

* Includes share of net fair value gain of investment properties attributable to MRODCT relating to the Turnkey Portfolio amounting to $34,250,000.

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

20. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint ventures, are as follows:-

	MRDCT		MRODCT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Net assets	**487,133**	474,919	**866,994**	–
Group's equity interest	**40%**	40%	**50%**	–
Group's share of net assets	**194,853**	189,968	**433,497**	–
Acquisition cost	**4,133**	4,133	**9,715**	–
Carrying value of the Group's interest in joint ventures	**198,986**	194,101	**443,212**	–

21. TRADE AND OTHER PAYABLES

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Current				
Trade payables				
– third parties	**1,109**	1,460	**1,086**	1,401
– related parties	**2,079**	1,324	**1,686**	1,153
Accrued operating expenses	**37,689**	31,275	**34,809**	28,902
Accrued retention sum	**6,474**	13,256	**3,608**	10,291
Accrued development cost	**2,827**	14,921	**1,907**	12,200
Tenancy related deposits	**31,170**	27,975	**29,930**	26,140
Rental received/billed in advance	**2,661**	2,667	**764**	824
Net GST payable	**4,703**	4,146	**4,116**	3,691
Interest payable	**5,293**	5,889	**4,004**	4,606
Interest payable to a subsidiary	**–**	–	**1,289**	1,283
Other payables	**821**	301	**819**	303
Withholding tax payable	**–**	1,436	**–**	1,436
Amount due to a subsidiary	**–**	–	**–**	68
	94,826	104,650	**84,018**	92,298
Non-current				
Tenancy related deposits	**47,447**	54,827	**43,238**	51,807
	142,273	159,477	**127,256**	144,105

The non-trade amount due to a subsidiary is unsecured, interest free and repayable on demand.

22. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Current				
Borrowings				
Bank loans	**–**	75,000	**–**	75,000
Transaction cost to be amortised	**–**	(18)	**–**	(18)
	–	74,982	**–**	74,982
Lease liabilities	**1,275**	–	**320**	–
	1,275	74,982	**320**	74,982
Non-current				
Borrowings				
Bank loans	**1,029,084**	918,171	**1,029,084**	918,171
Transaction cost to be amortised	**(1,850)**	(1,501)	**(1,850)**	(1,501)
	1,027,234	916,670	**1,027,234**	916,670
Medium term notes	**405,000**	405,000	**–**	–
Change in fair value of hedged item (Note 7)	**2,911**	921	**–**	–
Transaction cost to be amortised	**(731)**	(859)	**–**	–
	407,180	405,062	**–**	–
Lease liabilities	**23,878**	–	**12,254**	–
	1,458,292	1,321,732	**1,039,488**	916,670
Loans from a subsidiary				
Loans from a subsidiary	**–**	–	**405,000**	405,000
Change in fair value of hedged item (Note 7)	**–**	–	**2,911**	921
Transaction cost to be amortised	**–**	–	**(731)**	(859)
	–	–	**407,180**	405,062
	1,458,292	1,321,732	**1,446,668**	1,321,732
	1,459,567	1,396,714	**1,446,988**	1,396,714

The above loans and notes are unsecured and, except for loans from a subsidiary, are subject to negative pledge on certain investment properties.

(a) Maturity of borrowings

There is no current bank loan, medium term note and loan from a subsidiary as at reporting date (31 March 2019: The current bank loans mature within 6 months).

The non-current bank loans, medium term notes and loans from a subsidiary mature between 2021 and 2029 (31 March 2019: between 2020 and 2029).

22. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(b) Weighted average interest rates

The weighted average all-in interest rates of total borrowings, including interest rate swaps as at the reporting date were as follows:

	Group		MIT	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Bank loans (current)	**–**	2.87%	**–**	2.87%
Bank loans (non-current)	**2.67%**	2.87%	**2.67%**	2.87%
Medium term notes (non-current)	**3.28%**	3.36%	**–**	–
Loans from a subsidiary (non-current)	**–**	–	**3.28%**	3.36%

(c) Medium term notes

In August 2011, the Group established a $1,000,000,000 Multicurrency Medium Term Note Programme ("MTN Programme"), via a subsidiary, Mapletree Industrial Trust Treasury Company Pte. Ltd ("MITTC"). Under the MTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series in Singapore Dollars or any other currency ("MTN").

In September 2018, the Group established a $2,000,000,000 Euro Medium Term Securities Programme ("EMTN Programme"), via MITTC. Under the EMTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes or perpetual securities in series or tranches in Singapore Dollars or any other currency ('EMTN").

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN and EMTN Programmes.

The MTN and EMTN shall constitute direct, unconditional, unsecured and unsubordinated obligations of MITTC ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of MITTC. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MIT.

Total notes outstanding under the MTN and EMTN Programme as at the reporting date were as follows:

Maturity date	**Interest rate per annum**	**Frequency of interest payment**	**31 March 2020 $'000**	31 March 2019 $'000
7 September 2022	3.65%	semi-annually	**45,000**	45,000
11 May 2023	3.02%	semi-annually	**75,000**	75,000
28 March 2024	3.16%	semi-annually	**100,000**	100,000
2 March 2026	3.79%	semi-annually	**60,000**	60,000
26 March 2029	3.58%	semi-annually	**125,000**	125,000
			405,000	405,000

22. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(d) Loans from a subsidiary

MITTC has on-lent the proceeds from the issuance of the MTN and EMTN to MIT, who has in turn used these proceeds to refinance its borrowings.

These loans are unsecured and repayable in full, consisting of:

Maturity date	Interest rate per annum	Frequency of interest payment	31 March 2020 $'000	31 March 2019 $'000
7 September 2022	3.65%	semi-annually	**45,000**	45,000
11 May 2023	3.02%	semi-annually	**75,000**	75,000
28 March 2024	3.16%	semi-annually	**100,000**	100,000
2 March 2026	3.79%	semi-annually	**60,000**	60,000
26 March 2029	3.58%	semi-annually	**125,000**	125,000
			405,000	405,000

(e) Carrying amount and fair value of non-current borrowings

The carrying amounts of the borrowings approximate their fair values, except for the following fixed-rate non-current borrowings:

	Carrying amounts		Fair value	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Group				
Bank loans	**100,000**	100,000	**101,397**	99,257
Medium term notes	**405,000**	405,000	**417,260**	410,820
MIT				
Bank loans	**100,000**	100,000	**101,397**	99,257
Loans from a subsidiary	**405,000**	405,000	**417,260**	410,820

The fair values above are determined from the cash flow analysis, discounted at the following market borrowing rates of an equivalent instrument at the reporting date at which the Manager expects to be available to the Group:

	Group		MIT	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Bank loans	**1.8%**	3.0%	**1.8%**	3.0%
Medium term notes	**2.7%**	3.0%	**–**	–
Loans from a subsidiary	**–**	–	**2.7%**	3.0%

The fair values are within Level 2 of the fair value hierarchy.

22. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(f) Interest rate risks

The exposure of the borrowings of the Group and MIT to interest rate changes and the contractual repricing dates at the reporting dates after taking into account interest rate swaps as follows:

	Group and MIT	
	31 March 2020 $'000	31 March 2019 $'000
6 months or less	**380,941**	298,637

23. DERIVATIVE FINANCIAL INSTRUMENTS

		Group and MIT		
	Maturity	**Contract notional amount $'000**	**Fair value assets $'000**	**Fair value liabilities $'000**
31 March 2020				
Fair value hedge				
– Interest rate swap	**2023**	**75,000**	**2,911**	**–**
Cash flow hedges				
– Interest rate swaps	**2020 – 2026**	**734,038**	**–**	**24,555**
– Currency forwards	**2020 – 2022**	**20,575**	**–**	**1,103**
Total		**829,613**	**2,911**	**25,658**
Less: Current portion			**–**	**(4,663)**
Non-current portion			**2,911**	**20,995**
31 March 2019				
Fair value hedge				
– Interest rate swap	2023	75,000	921	–
Cash flow hedges				
– Interest rate swaps	2019 – 2026	723,779	302	2,811
– Currency forwards	2019 – 2022	18,627	33	296
Total		817,406	1,256	3,107
Less: Current portion			(114)	(238)
Non-current portion			1,142	2,869

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in Group's hedging strategy in FY19/20:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness*			
	Contractual notional amount 31 March 2020 $'000	Assets/ (Liabilities) 31 March 2020 $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Weighted average hedged rate	Maturity date
Group and MIT							
Fair value hedge							
Interest rate risk							
– Interest rate swap to hedge fixed rate borrowing	**75,000**	**2,911**	**Derivative financial instruments**	**1,990**	**(1,990)**	**3.02%**	**2023**
Cash flow hedges							
Interest rate risk							
– Interest rate swaps to hedge floating rate borrowings	**734,038**	**(24,555)**	**Derivative financial instruments**	**(22,046)**	**22,046**	**SGD: 1.93% USD: 2.24%**	**2020 – 2026**
Currency risk							
– Currency forwards to hedge quarterly dividend income receivable in foreign currency	**20,575**	**(1,103)**	**Derivative financial instruments**	**(840)**	**840**	**SGD: 1.35 USD: 1.00**	**2020 – 2022**
Net investment hedge							
– Borrowings to hedge net investments in foreign operations	**–**	**(453,284)**	**Borrowings**	**(290,116)**	**290,116**	**SGD: 1.39 USD: 1.00**	**2022 – 2026**

* There are no hedge ineffectiveness and costs of hedging recognised in the Statements of Profit or Loss in FY19/20.

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in Group's hedging strategy in FY18/19:

		Carrying amount		Changes in fair value used for calculating hedge ineffectiveness*			
	Contractual notional amount 31 March 2019 $'000	Assets/ (Liabilities) 31 March 2019 $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Weighted average hedged rate	Maturity date
Group and MIT							
Fair value hedge							
Interest rate risk							
– Interest rate swap to hedge fixed rate borrowing	75,000	921	Derivative financial instruments	986	(986)	3.02%	2023
Cash flow hedges							
Interest rate risk							
– Interest rate swaps to hedge floating rate borrowings	723,779	(2,509)	Derivative financial instruments	(2,361)	2,361	SGD: 1.97% USD: 2.29%	2019 – 2026
Currency risk							
– Currency forwards to hedge quarterly dividend income receivable in foreign currency	18,627	(263)	Derivative financial instruments	(277)	277	SGD: 1.32 USD: 1.00	2019 – 2022
Net investment hedge							
– Borrowings to hedge net investments in foreign operations	–	(163,168)	Borrowings	(4,540)	4,540	SGD:1.36 USD: 1.00	2021 – 2022

* There are no hedge ineffectiveness and costs of hedging recognised in the Statements of Profit or Loss in FY18/19.

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Effect of fair value hedge on hedged items are as follows:

	Carrying amount of assets/ (liabilities) $'000	Financial statement line items that includes hedged items	Accumulated amount of fair value adjustments $'000
2020			
Group and MIT			
Fair value hedge			
Interest rate risk			
– Interest rate swap to hedge fixed rate borrowings	**77,911**	**Borrowings**	**2,911**
2019			
Group and MIT			
Fair value hedge			
Interest rate risk			
– Interest rate swap to hedge fixed rate borrowings	75,921	Borrowings	921

24. HEDGING RESERVE

Movements in hedging reserve by risk category:

	31 March 2020			31 March 2019		
	Interest rate risk $'000	**Foreign exchange risk $'000**	**Total $'000**	**Interest rate risk $'000**	**Foreign exchange risk $'000**	**Total $'000**
Group						
Beginning of financial year	**(5,077)**	**(263)**	**(5,340)**	379	14	393
Fair value losses	**(23,304)**	**(840)**	**(24,144)**	(3,662)	(277)	(3,939)
Cash flow hedges realised and transferred to borrowing cost	**1,258**	**–**	**1,258**	1,300	–	1,300
Share of hedging reserve of joint venture	**(10,361)**	**–**	**(10,361)**	(3,094)	–	(3,094)
End of financial year	**(37,484)**	**(1,103)**	**(38,587)**	(5,077)	(263)	(5,340)
MIT						
Beginning of financial year	**(2,509)**	**(263)**	**(2,772)**	(147)	14	(133)
Fair value losses	**(23,304)**	**(840)**	**(24,144)**	(3,662)	(277)	(3,939)
Cash flow hedges realised and transferred to borrowing cost	**1,258**	**–**	**1,258**	1,300	–	1,300
End of financial year	**(24,555)**	**(1,103)**	**(25,658)**	(2,509)	(263)	(2,772)

25. UNITS IN ISSUE

	Group and MIT	
	31 March 2020	31 March 2019
Beginning of financial year	**2,021,111,388**	1,885,217,601
Creation of new units arising from:		
Settlement of manager's management fees [Note 25(a)]	**1,118,736**	1,609,789
Settlement of manager's acquisition fees [Note 25(b)]	**–**	1,684,131
Private placement [Note 25(c)]	**176,600,000**	103,360,000
Distribution Reinvestment Plan [Note 25(d)]	**2,172,035**	29,239,867
End of the financial year	**2,201,002,159**	2,021,111,388

During the financial year, MIT issued the following units:

(a) 1,118,736 (31 March 2019: 1,609,789) new units at the issue prices ranging from $2.0659 to $2.5534 (31 March 2019: $1.8978 to $2.0159) per unit, as part payment of the base fees to the Manager in units.

(b) 1,684,131 new units at the issue prices of $1.9941 and $2.0079 per unit, as payment of the acquisition fees to the Manager in units in previous financial year.

(c) 176,600,000 (31 March 2019: 103,360,000) new units at $2.2650 (31 March 2019: $1.9450) each pursuant to the private placement exercise.

(d) 2,172,035 (31 March 2019: 29,239,867) new units at the issue price of $2.0193 (31 March 2019: $1.8612 to $1.9434) per unit were issued pursuant to the DRP where Unitholders have the option to receive their distribution in Units instead of cash or a combination of Units and cash.

Each unit in MIT represents an undivided interest in MIT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MIT by receiving a share of all net cash proceeds derived from the realisation of the assets of MIT less any liabilities, in accordance with their proportionate interests in MIT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MIT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the issued units of MIT) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MIT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MIT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MIT exceed its assets.

Strategy People Portfolio Governance **Financials and Others**

26. COMMITMENTS

(a) Capital commitments

Significant capital expenditures contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investments in joint ventures (Note 20), are as follows:

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Development expenditure contracted	**23,056**	37,899	**22,643**	37,264

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

The Group and MIT lease land from non-related parties under non-cancellable operating lease agreements. As at 31 March 2019, the future minimum lease payables under such non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	Group $'000	MIT $'000
Not later than one year	2,464	1,017
Between one and five years	9,434	4,002
Later than five years	36,143	23,209
	48,041	28,228

The operating leases are subjected to revision of land rents at periodic intervals. For the purpose of the above disclosure, the prevailing land rent rates are used.

As disclosed in Note 2.1, 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 balance sheet as at 31 March 2020.

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

The Group and MIT lease out investment properties to related and non-related parties under non-cancellable operating leases. As at 31 March 2019, the future minimum lease receivables under such non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are analysed as follows:

	Group $'000	MIT $'000
Not later than one year	359,931	323,268
Between one and five years	716,902	607,326
Later than five years	561,632	524,223
	1,638,465	1,454,817

The Group has adopted SFRS(I) 16 on 1 April 2019 and the undiscounted lease payments from the operating leases to be received after 31 March 2020 is disclosed in Note 17.

27. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards and interest rate swaps to hedge certain financial risk exposures.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as written policies covering specific areas, such as currency 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.

(a) Market risk

(i) Currency risk

The Manager's investment strategy includes investing in real-estate related assets used primarily as data centres worldwide beyond Singapore. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts currency risk management strategies that may include:

- The use of foreign currency denominated borrowings to match the currency of the asset management as a natural currency hedge. Borrowings designated and qualified as hedges of net investments in the Group's joint ventures have a carrying amount of $453,284,000 as at 31 March 2020 (31 March 2019: $163,168,000). The fair values of the borrowings approximate their carrying values except for the fixed-rate non-current borrowings disclosed in Note 22(e).

- Entering into currency forwards to hedge the foreign currency income to be received from the offshore assets, back into Singapore Dollars.

The Group's and MIT's main currency exposure to USD based on the information provided to key management is as follows (SGD equivalent):

	Group and MIT	
	31 March 2020 $'000	31 March 2019 $'000
Financial assets		
Cash and cash equivalents	**7,443**	520
Interest receivable from a joint venture	**2,328**	–
Distribution receivable from joint ventures	**9,842**	3,804
	19,613	4,324
Financial liabilities		
Borrowings	**(453,284)**	(163,171)
Interest payable	**(716)**	(340)
	(454,000)	(163,511)
Net financial liabilities	**(434,387)**	(159,187)
Add: Non-financial assets		
Investment in joint ventures	**628,350**	189,968
Net assets	**193,963**	30,781
Less: Notional amount of currency forwards	**(20,575)**	(18,627)
Currency profile including non-financial assets and liabilities	**173,388**	12,154
Currency exposure of net financial assets less borrowings designated as net investment hedge	**18,897**	3,981

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

As at 31 March 2020, if the USD strengthen/weaken by 5% against SGD, with all other variables including tax being constant, the Group and MIT's total profit would have been higher/lower by $945,000 (31 March 2019: $199,000) and the Group's other comprehensive income would have been higher/lower by $429,000 (31 March 2019: $127,000).

(ii) Cash flow and fair value interest rate risks

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 borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved using fixed rate borrowings and interest rate swaps.

The Group enters into interest rate swaps with the same critical terms as 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 items matched during the year, the economic relationship was 100% effective.

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 may occur due to changes in the critical terms of either the interest rate swaps or the borrowings.

The Group and MIT's borrowings and loan to one of its subsidiaries at variable rates on which effective hedges have not been entered into are denominated in USD and SGD (31 March 2019: SGD). As at 31 March 2020, if the interest rates increase/decrease by 50 basis points (31 March 2019: 50 basis points) with all other variables including tax rate being held constant, the Group's total profit would have been lower/higher by $1,905,000 (31 March 2019: $1,493,000) and the hedging reserve attributable to Unitholders would have been higher/lower by $7,750,000 (31 March 2019: $6,042,000).

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing with customers of appropriate credit history and obtaining sufficient security to mitigate credit risk.

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

	Group and MIT	
	31 March 2020 $'000	31 March 2019 $'000
Corporate guarantees provided for borrowings of joint ventures	**821,557**	244,102

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables 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 customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. 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 the Statements of Profit or Loss.

There is no material impact on the provision for impairment of the above financial assets.

The Manager monitors the outstanding balances of the tenants by ageing profile on an ongoing basis. There were no significant concentration credit risk as at 31 March 2020 and 31 March 2019. Concentrations of credit risk relating to trade receivables is limited to the Group's many and varied tenants. The tenants are engaged in diversified business and are of acceptable credit rating.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The Group's and the MIT's credit risk exposure in relation to trade receivables under SFRS(I) 9 at reporting date are set out in the provision matrix as follows:

	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
31 March 2020					
Group					
Trade receivables	**1,064**	**375**	**89**	**132**	**1,660**
Loss allowance	**–**	**–**	**–**	**–**	**–**
	1,064	**375**	**89**	**132**	**1,660**
MIT					
Trade receivables	**955**	**268**	**87**	**113**	**1,423**
Loss allowance	**–**	**–**	**–**	**–**	**–**
	955	**268**	**87**	**113**	**1,423**
31 March 2019					
Group					
Trade receivables	928	514	160	253	1,855
Loss allowance	–	–	–	–	–
	928	514	160	253	1,855
MIT					
Trade receivables	710	423	139	240	1,512
Loss allowance	–	–	–	–	–
	710	423	139	240	1,512

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

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Group and MIT adopt prudent liquidity risk management by maintaining sufficient cash on demand and banking facilities to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and MIT based on contractual undiscounted cash flows. Where it relates to a variable amount payable, the amount is determined by taking reference to the last contracted rate.

Group

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2020			
Trade and other payables	**82,169**	**47,326**	**121**
Borrowings and interest payables	**42,380**	**1,008,971**	**566,157**
Lease liabilities	**2,335**	**8,601**	**28,366**
	126,884	**1,064,898**	**594,644**
At 31 March 2019			
Trade and other payables	90,512	50,809	4,017
Borrowings and interest payables	122,604	932,571	543,277
	213,116	983,380	547,294

MIT

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2020			
Trade and other payables	**73,845**	**43,186**	**52**
Borrowings and interest payables	**42,380**	**788,971**	**381,157**
Loans from a subsidiary	**–**	**220,000**	**185,000**
Lease liabilities	**866**	**3,464**	**16,064**
	117,091	**1,055,621**	**582,273**
At 31 March 2019			
Trade and other payables	80,458	47,795	4,012
Borrowings and interest payables	122,604	712,571	358,277
Loans from a subsidiary	–	220,000	185,000
	203,062	980,366	547,289

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's and MIT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	Group and MIT		
	Less than 1 year $'000	**Between 1 and 5 years $'000**	**Over 5 years $'000**
At 31 March 2020			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net payments	**(3,059)**	**(8,085)**	**(1,707)**
Gross-settled currency forwards			
– Receipts	**13,514**	**7,061**	**–**
– Payments	**(13,848)**	**(7,277)**	**–**
	(3,393)	**(8,301)**	**(1,707)**
At 31 March 2019			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net receipts/(payments)	712	439	(90)
Gross-settled currency forwards			
– Receipts	8,233	10,394	–
– Payments	(8,476)	(10,632)	–
	469	201	(90)

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund future acquisitions and asset enhancement works. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of its Deposited Property.

The Group has an aggregate leverage ratio of 37.6% (31 March 2019: 33.8%) at the reporting date. Lease liabilities and right-of-use assets arising from the adoption of SFRS(I) 16 were excluded when computing net debt and total deposited property value respectively.

In accordance with Property Funds Appendix, the aggregate leverage ratio includes MIT's proportionate share of its joint ventures' borrowings and deposited property values.

The Group and MIT are in compliance with the borrowing limit requirements imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2020 and 31 March 2019.

(e) Fair value measurements

The assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy are presented as follow:

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

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

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

Fair value measurement disclosure of other assets that are recognised or measured at fair value can be found at Note 14.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

27. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The fair values of the derivative financial instruments are presented below:

	Group and MIT	
	31 March 2020 $'000	31 March 2019 $'000
Level 2		
Assets		
Derivative financial instruments		
– Interest rate swaps	**2,911**	1,223
– Currency forwards	**–**	33
	2,911	1,256
Liabilities		
Derivative financial instruments		
– Interest rate swaps	**24,555**	2,811
– Currency forwards	**1,103**	296
	25,658	3,107

The carrying amount of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities are 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 carrying value of borrowings approximate its fair value except for fixed rate non-current borrowings as disclosed in Note 22(e).

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 23 except for the following:

	Group		MIT	
	31 March 2020 $'000	31 March 2019 $'000	**31 March 2020 $'000**	31 March 2019 $'000
Financial assets at amortised cost	**68,639**	73,658	**378,883**	379,052
Financial liabilities at amortised cost	**1,594,476**	1,549,378	**1,569,364**	1,536,304

28. IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes under SFRS(I) 10 *Consolidated Financial Statements*, the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd. The immediate, intermediate and ultimate holding companies are Mapletree Dextra Pte. Ltd., Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The immediate, intermediate and ultimate holding companies are incorporated in Singapore.

29. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place at terms agreed between the parties as follows:

	Group		MIT	
	FY19/20 $'000	FY18/19 $'000	**FY19/20 $'000**	FY18/19 $'000
Acquisition fees paid/payable to the Manager	**9,268**	3,363	**9,268**	3,363
Property and lease management fees paid/payable (including reimbursable expenses) to the Property Manager	**18,454**	16,542	**16,711**	15,601
Marketing commission paid/payable to the Property Manager	**6,114**	6,327	**5,728**	6,305
Development management fees paid/payable to the Manager	**(49)**	581	**(49)**	581
Project management fees paid/payable to the Property Manager	**154**	346	**154**	346
Interest expense and financing fees paid/payable to a related party	**9,859**	6,060	**9,859**	6,060
Other products and service fees paid/payable to related parties	**8,694**	9,003	**8,438**	8,939
Rental and other related income received/receivable from related parties	**19,999**	15,951	**6,676**	2,905
Novation of option to purchase 7 Tai Seng Drive from a related party	**–**	680	**–**	680
Purchase of 7 Tai Seng Drive	**–**	68,000	**–**	68,000

30. FINANCIAL RATIOS

	Group	
	FY19/20	FY18/19
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fee	**1.10%**	1.19%
– excluding performance component of asset management fee	**0.75%**	0.82%
Portfolio Turnover Ratio[2]	**–**	–

1 The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs, foreign exchange gain/ (loss) and income tax expense.

2 In accordance with the formulae stated in the CIS Code, the ratio reflects the number of times per year that a dollar of assets is reinvested. The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

31. SEGMENT INFORMATION

The operating segments have been determined based on the reports reviewed by the management in making strategic decisions.

The Manager considers the business from a business segment perspective; managing and monitoring the business based on property types.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income ("NPI"). Interest income and borrowing costs (excluding finance cost on lease liabilities) are not allocated to segments, as the treasury activities are centrally managed by the Group. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment.

31. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2020 is as follows:

	Hi-Tech Buildings $'000	Flatted Factories $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	**156,045**	**152,096**	**47,134**	**44,358**	**6,225**	**405,858**
Net property income	**128,394**	**117,699**	**32,004**	**35,216**	**4,756**	**318,069**
Interest income						**2,634**
Borrowing costs						**(43,915)**[1]
Finance cost on lease liabilities	**(975)**	**–**	**–**	**–**	**(129)**	**(1,104)**
Manager's management fees						**(33,930)**
Trustee's fees						**(642)**
Other trust expenses						**(1,524)**
Net foreign exchange gain						**307**
Net fair value gain/(loss) on investment properties	**54,922**	**(14,478)**	**(1,359)**	**14,243**	**(2,530)**	**50,798**
Share of joint ventures' results	**76,506**	**–**	**–**	**–**	**–**	**76,506**
Profit before income tax						**367,199**
Income tax expense						**(56)**
Profit after income tax						**367,143**
Segment assets						
– Investment properties	**1,812,165**	**1,506,600**	**588,300**	**488,700**	**77,288**	**4,473,053**[2]
– Investments in joint ventures	**642,198**	**–**	**–**	**–**	**–**	**642,198**
– Trade receivables	**75**	**837**	**105**	**436**	**207**	**1,660**
						5,116,911
Unallocated assets						
– Cash and cash equivalents						**53,436**
– Other receivables						**13,500**
– Other current assets						**960**
– Derivative financial instruments						**2,911**
– Plant and equipment						**165**
Consolidated total assets						**5,187,883**
Segment liabilities	**41,092**	**38,556**	**11,238**	**11,380**	**4,207**	**106,473**[3]
Unallocated liabilities						
– Trade and other payables						**60,953**
– Borrowings						**1,434,414**[3]
– Derivative financial instruments						**25,658**
– Current income tax liabilities						**264**
Consolidated total liabilities						**1,627,762**

1 Exclude finance cost on lease liabilities.
2 Include right-of-use ("ROU") assets balance of $25.2 million, net fair value gain on properties (excluding ROU) of $79.7 million and additions of $31.9 million during the year.
3 Lease liabilities were included under segment liabilities

31. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2019 is as follows:

	Hi-Tech Buildings $'000	Flatted Factories $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	122,975	155,736	46,516	43,853	7,021	376,101
Net property income	97,698	118,505	31,403	35,055	5,109	287,770
Interest income						246
Borrowing costs						(40,108)
Manager's management fees						(30,893)
Trustee's fees						(581)
Other trust expenses						(2,001)
Net foreign exchange loss						(202)
Net fair value gain/(loss) on investment properties and investment property under development	34,628	(11,296)	2,181	5,784	(540)	30,757
Share of joint venture's results	26,138	–	–	–	–	26,138
Profit before income tax						271,126
Income tax expense						*
Profit after income tax						271,126
Segment assets						
– Investment properties	1,546,700	1,578,000	581,000	473,000	75,500	4,254,200[1]
– Investment property under development	82,100	–	–	–	–	82,100[1]
– Investment in a joint venture	194,101	–	–	–	–	194,101
– Trade receivables	185	608	211	482	369	1,855
						4,532,256
Unallocated assets						
– Cash and cash equivalents						40,010
– Other receivables						31,632
– Other current assets						1,727
– Derivative financial instruments						1,256
– Plant and equipment						183
Consolidated total assets						4,607,064
Segment liabilities	18,065	39,485	14,895	11,508	1,551	85,504
Unallocated liabilities						
– Trade and other payables						73,973
– Borrowings						1,396,714
– Derivative financial instruments						3,107
– Current income tax liabilities						240
Consolidated total liabilities						1,559,538

* Amount less than $1,000

1 Include net fair value gain on properties of $30.8 million and additions of $397.2 million during the year.

Strategy People Portfolio Governance **Financials and Others**

32. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2020 or later periods and which the Group had not early adopted:

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

The 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 April 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. In response to cases of attempted manipulation in relation to key IBORs, and to the decline in liquidity in key interbank unsecured funding markets, the Financial Stability Board made several recommendations relating to:

(i) strengthening of IBORs by anchoring them to a greater number of transactions, where possible, and improving the processes and controls around submissions;

(ii) identifying alternative near-risk-free rates (RFRs) and, where suitable, encouraging market participants to transition new contracts to an appropriate RFR.

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.

The Group continues to monitor the developments of IBOR reform and will assess the impact for the Group as further information becomes available.

33. EVENTS OCCURRING AFTER REPORTING DATE

(a) Impact arising from COVID-19 pandemic outbreak

The outbreak of Coronavirus Disease 2019 in early 2020 (the "COVID-19 outbreak") has affected businesses and economic activities to varying extents. The Group has considered the following in the assessment of the impact on its business and financials up to the date of the financial statements:

(i) The Group applies the fair value model to measure its investment properties. As at 31 March 2020, fair values of the Group's investment properties amounted to $4,473,053,000 (Note 14). Subsequent to the Group's statement of financial position date, the fair values of the Group's investment properties may be subject to fluctuation due to the COVID-19 outbreak. The Group is closely monitoring the development of the COVID-19 outbreak and its related impact on its businesses. As at the date of the financial statements, the impact is still under assessment.

(ii) The Singapore Government has announced relief schemes and assistance package to help alleviate pressure on businesses, this includes the Resilience Budget that was announced on 26 March 2020 as well as the COVID-19 (Temporary Measures) Act ("COVID-19 Act") which was passed on 7 April 2020. Some of the measures include:

(a) For industrial properties, a 30% property rebates were granted to property owners. The COVID-19 Act mandates property owners to pass the full benefit of the property tax rebates to the tenants. As the property tax rebate will be passed through in full to the tenants, this will have no material impact to the Group's financial positions.

(b) The COVID-19 Act also provides temporary and targeted protection for businesses and individuals who are unable to fulfil certain contractual obligations because of COVID-19, by suspending certain actions to enforce those obligations for six months. The Group will continue to monitor the developments and assess the impact for the Group as further information becomes available.

(iii) On 15 April 2020, the Manager announced that the Group will support tenants with a COVID-19 Assistance and Relief Programme of up to $13.7 million. This has no impact to the Group's financial position as at 31 March 2020.

(iv) On 16 April 2020, the Ministry of Finance, IRAS and MAS announced new measures to provide real estate investment trusts listed on the Singapore Exchange with greater flexibility to manage their cash flows and raise funds amid this challenging operating climate due to COVID-19. The leverage limit will be raised with immediate effect from 45% to 50%. As at 31 March 2020, the Group has an aggregate leverage ratio of 37.6%.

(b) Distribution

Subsequent to the reporting date, the Manager announced a distribution of 2.85 cents per unit for the period from 1 January 2020 to 31 March 2020.

34. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 27 April 2020.

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in MIT. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Mapletree Industrial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 January 2008 (as amended) (the "Trust Deed") between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MIT and the Group during the financial year covered by these financial statements, set out on pages 135 to 206, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim
Director

Singapore, 22 April 2019

STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

In the opinion of the directors of Mapletree Industrial Trust Management Ltd., the accompanying financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group"), as set out on pages 135 to 206, comprising the Statement of Financial Position and Portfolio Statement for MIT and the Group as at 31 March 2019, the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds for MIT and the Group, the Consolidated Statement of Cash Flows for the Group and Notes to the Financial Statements for the year then ended are drawn up so as to present fairly, in all material respects, the financial position of MIT and of the Group as at 31 March 2019 and the financial performance, amount distributable and movements in unitholders' funds of MIT and the Group and consolidated cash flows of the Group for the year then ended in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standard Council (Singapore) and the provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MIT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Mapletree Industrial Trust Management Ltd.

Tham Kuo Wei
Director

Singapore, 22 April 2019

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds, and Portfolio Statement of MIT are properly drawn up in accordance with SFRS(I) and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") relating to financial reporting so as to present fairly, in all material aspects, the consolidated financial position of the Group and the financial position of MIT, and the consolidated portfolio holdings of the Group and portfolio holdings of MIT as at 31 March 2019, and the consolidated financial performance of the Group and the financial performance of MIT, the consolidated amount distributable of the Group and the amount distributable of MIT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MIT and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MIT and the Group comprise:
- the statements of profit or loss of the Group and MIT for the financial year ended 31 March 2019;
- the statements of comprehensive income of the Group and MIT for the financial year ended 31 March 2019;
- the statements of financial position of the Group and MIT as at 31 March 2019;
- the distribution statements of the Group and MIT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements of unitholders' funds for the Group and MIT for the financial year then ended;
- the portfolio statement for the Group and MIT as at 31 March 2019; 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 audit 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.

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to Note 14 (Investment Properties and Investment Property under Development).* As at 31 March 2019, the carrying value of the Group's investment properties of $4.3 billion accounted for 94.1% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 14 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Other Information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee and Statement by the Manager (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 other sections of MIT's Annual Report 2018/2019 ("Other Sections"), which is 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 express any form of assurance conclusion thereon.

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with SFRS(I) and the applicable requirements of the CIS Code relating to financial reporting and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager 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 the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

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 the Manager.
- Conclude on the appropriateness of the Manager'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 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 Manager 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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 April 2019

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group FY18/19 $'000	Group FY17/18 $'000	MIT FY18/19 $'000	MIT FY17/18 $'000
Gross revenue	3	**376,101**	363,230	**353,703**	343,826
Property operating expenses	4	**(88,331)**	(85,627)	**(83,554)**	(79,858)
Net property income		**287,770**	277,603	**270,149**	263,968
Interest income	5	**246**	1,027	**971**	994
Investment income	6	**–**	–	**30,383**	19,332
Borrowing costs	7	**(40,108)**	(34,055)	**(40,108)**	(34,055)
Manager's management fees					
– Base fees		**(20,540)**	(19,215)	**(19,389)**	(18,248)
– Performance fees		**(10,353)**	(9,994)	**(9,716)**	(9,503)
Trustee's fees		**(581)**	(546)	**(581)**	(546)
Other trust expenses	8	**(2,001)**	(1,322)	**(1,967)**	(1,295)
Net foreign exchange (loss)/gain		**(202)**	18	**(4,742)**	3,415
Net fair value gain on investment properties and investment property under development	14(a)	**30,757**	65,470	**28,605**	67,757
Share of joint venture	18				
– Net profit after tax		**16,691**	3,900	**–**	–
– Net fair value gain on investment properties		**9,447**	17,876	**–**	–
		26,138	21,776	**–**	–
Loss on divestment of investment property		**–**	(200)	**–**	–
Profit before income tax		**271,126**	300,562	**253,605**	291,819
Income tax expense	9(a)	*****	(32)	**–**	(32)
Profit for the financial year		**271,126**	300,530	**253,605**	291,787
Earnings per unit					
– Basic and diluted (cents)	10	**14.25**	16.36		

* Amount less than $1,000

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group FY18/19 $'000	Group FY17/18 $'000	MIT FY18/19 $'000	MIT FY17/18 $'000
Profit for the financial year		**271,126**	300,530	**253,605**	291,787
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges					
– Fair value losses		**(3,939)**	(718)	**(3,939)**	(718)
– Realised and transferred to borrowing cost	7	**1,300**	4,493	**1,300**	4,493
Share of hedging reserve of joint venture		**(3,094)**	526	**–**	–
Currency translation differences arising from share of joint venture		**551**	(672)	**–**	–
Other comprehensive (loss)/ income, net of tax		**(5,182)**	3,629	**(2,639)**	3,775
Total comprehensive income		**265,944**	304,159	**250,966**	295,562

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

STATEMENT OF FINANCIAL POSITION – GROUP

AS AT 31 MARCH 2019

	Note	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	11	**40,010**	37,419	37,985
Trade and other receivables	12	**33,487**	24,398	10,221
Other current assets	13	**1,727**	1,572	1,202
Derivative financial instruments	21	**114**	14	–
		75,338	63,403	49,408
Non-current assets				
Investment properties	14(a)	**4,254,200**	3,856,600	3,530,850
Investment property under development	14(a)	**82,100**	51,700	217,800
Plant and equipment	15	**183**	84	3
Investment in a joint venture	18	**194,101**	181,158	–
Derivative financial instruments	21	**1,142**	1,375	–
		4,531,726	4,090,917	3,748,653
Total assets		**4,607,064**	4,154,320	3,798,061
LIABILITIES				
Current liabilities				
Trade and other payables	19	**104,650**	103,108	108,745
Borrowings	20	**74,982**	184,927	114,986
Derivative financial instruments	21	**238**	242	–
Current income tax liabilities	9(b)	**240**	32	*
		180,110	288,309	223,731
Non-current liabilities				
Other payables	19	**54,827**	51,403	46,143
Borrowings	20	**1,321,732**	1,033,190	991,425
Derivative financial instruments	21	**2,869**	1,346	3,973
		1,379,428	1,085,939	1,041,541
Total liabilities		**1,559,538**	1,374,248	1,265,272
Net assets attributable to Unitholders		**3,047,526**	2,780,072	2,532,789
Represented by:				
Unitholders' funds		**3,047,526**	2,780,072	2,532,789
UNITS IN ISSUE ('000)	23	**2,021,112**	1,885,218	1,802,160
NET ASSET VALUE PER UNIT ($)		**1.51**	1.47	1.41

* Amount less than $1,000

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

STATEMENT OF FINANCIAL POSITION – MIT

AS AT 31 MARCH 2019

	Note	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
ASSETS				
Current assets				
Cash and cash equivalents	11	**22,308**	30,810	31,136
Trade and other receivables	12	**33,085**	27,244	12,297
Other current assets	13	**1,138**	911	463
Derivative financial instruments	21	**114**	14	–
		56,645	58,979	43,896
Non-current assets				
Investment properties	14(a)	**3,807,400**	3,678,700	3,333,000
Investment property under development	14(a)	**82,100**	51,700	217,800
Plant and equipment	15	**183**	84	3
Investments in:				
– subsidiaries	16	**113,585**	*	*
– a joint venture	18	**166,158**	166,158	–
Loans to subsidiaries	17	**323,394**	166,594	179,794
Derivative financial instruments	21	**1,142**	1,375	–
		4,493,962	4,064,611	3,730,597
Total assets		**4,550,607**	4,123,590	3,774,493
LIABILITIES				
Current liabilities				
Trade and other payables	19	**92,298**	98,915	102,899
Borrowings	20	**74,982**	59,985	114,986
Loans from a subsidiary	20	**–**	124,942	–
Derivative financial instruments	21	**238**	242	–
Current income tax liabilities	9(b)	**32**	32	–
		167,550	284,116	217,885
Non-current liabilities				
Other payables	19	**51,807**	50,765	45,723
Borrowings	20	**916,670**	753,763	587,203
Loans from a subsidiary	20	**405,062**	279,427	404,222
Derivative financial instruments	21	**2,869**	1,346	3,973
		1,376,408	1,085,301	1,041,121
Total liabilities		**1,543,958**	1,369,417	1,259,006
Net assets attributable to Unitholders		**3,006,649**	2,754,173	2,515,487
Represented by:				
Unitholders' funds		**3,006,649**	2,754,173	2,515,487
UNITS IN ISSUE ('000)	23	**2,021,112**	1,885,218	1,802,160
NET ASSET VALUE PER UNIT ($)		**1.49**	1.46	1.40

* Amount less than $1,000

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Amount available for distribution to Unitholders at beginning of the year	**56,163**	52,403	**56,163**	52,403
Profit for the year	**271,126**	300,530	**253,605**	291,787
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(54,559)**	(87,916)	**(21,846)**	(75,939)
Distribution declared by joint venture	**15,192**	3,234	**–**	–
Amount available for distribution	**231,759**	215,848	**231,759**	215,848
Distribution to Unitholders:				
Distribution of 2.88 cents per unit for the period from 01 January 2017 to 31 March 2017	**–**	(51,902)	**–**	(51,902)
Distribution of 2.92 cents per unit for the period from 01 April 2017 to 30 June 2017	**–**	(52,631)	**–**	(52,631)
Distribution of 3.00 cents per unit for the period from 01 July 2017 to 30 September 2017	**–**	(54,082)	**–**	(54,082)
Distribution of 0.99 cent per unit for the period from 01 October 2017 to 01 November 2017	**–**	(17,847)	**–**	(17,847)
Distribution of 1.89 cents per unit for the period from 02 November 2017 to 31 December 2017	**–**	(35,626)	**–**	(35,626)
Distribution of 2.95 cents per unit for the period from 01 January 2018 to 31 March 2018	**(55,614)**	–	**(55,614)**	–
Distribution of 3.00 cents per unit for the period from 01 April 2018 to 30 June 2018	**(56,568)**	–	**(56,568)**	–
Distribution of 3.01 cents per unit for the period from 01 July 2018 to 30 September 2018	**(56,779)**	–	**(56,779)**	–
Distribution of 3.07 cents per unit for the period from 01 October 2018 to 31 December 2018	**(58,299)**	–	**(58,299)**	–
Distribution of 1.71 cents per unit for the period from 01 January 2019 to 19 February 2019	**(32,481)**	–	**(32,481)**	–
Total Unitholders' distribution (including capital distribution) (Note B)	**(259,741)**	(212,088)	**(259,741)**	(212,088)
Amount available for distribution to Unitholders at end of the year	**28,181**	56,163	**28,181**	56,163

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Note A:				
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments comprise:				
– Trustee's fees	**581**	546	**581**	546
– Financing related costs	**1,851**	1,537	**1,851**	1,537
– Net fair value gain on investment properties and investment property under development	**(30,757)**	(65,470)	**(28,605)**	(67,757)
– Management fees paid/payable in units	**2,988**	2,309	**2,988**	2,309
– Expense capital items	**768**	917	**685**	805
– Adjustments from rental incentives	**(4,681)**	(7,613)	**(4,805)**	(7,646)
– Fund raising cost	**–**	32	**–**	32
– Loss on divestment of investment property	**–**	200	**–**	–
– Share of joint venture	**(26,138)**	(21,776)	**–**	–
– Realised revaluation gain from divestment of investment property	**–**	–	**–**	(3,427)
– Net foreign exchange loss/(gain)	**202**	(18)	**4,742**	(3,415)
– Other non-tax deductible items and adjustments	**627**	1,420	**717**	1,077
	(54,559)	(87,916)	**(21,846)**	(75,939)
Note B:				
Total Unitholders' distribution				
– Taxable income distribution	**(243,866)**	(210,097)	**(243,866)**	(210,097)
– Capital distribution	**(6,426)**	(1,991)	**(6,426)**	(1,991)
– Tax-exempt income	**(9,449)**	–	**(9,449)**	–
	(259,741)	(212,088)	**(259,741)**	(212,088)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group FY18/19 $'000	Group FY17/18 $'000
Cash flows from operating activities			
Profit for the financial year after income tax		**271,126**	300,530
Adjustments for:			
– Income tax expense	9(a)	*****	32
– Net fair value gain on investment properties and investment property under development	14(a)	**(30,757)**	(65,470)
– Interest income		**(246)**	(1,027)
– Borrowing costs	7	**40,108**	34,055
– Manager's management fees paid/payable in units		**2,988**	2,309
– Rental incentives		**(4,552)**	(7,613)
– Depreciation	15	**40**	10
– Loss on divestment of investment property		**–**	200
– Share of joint venture		**(26,138)**	(21,776)
– Unrealised translation loss/(gain)		**21**	(16)
Operating cash flows before working capital changes		**252,590**	241,234
Change in operating assets and liabilities			
– Trade and other receivables		**(3,583)**	(3,472)
– Trade and other payables		**(4,388)**	6,730
– Other current assets		**84**	(106)
Cash generated from operations		**244,703**	244,386
Interest received		**245**	1,165
Income tax paid	9(b)	**(*)**	(*)
Net cash provided by operating activities		**244,948**	245,551
Cash flows from investing activities			
Additions to investment properties and investment property under development		**(131,518)**	(118,511)
Acquisition of a subsidiary, net of cash received	16	**(252,616)**	–
Additions to plant and equipment		**(140)**	(91)
Proceeds from the divestment of investment property		**–**	17,400
Investment in a joint venture		**–**	(166,158)
Loan to a joint venture		**–**	(242,392)
Repayment of loan from a joint venture		**–**	235,571
Distribution received from joint venture		**14,622**	–
Net cash used in investing activities		**(369,652)**	(274,181)
Cash flows from financing activities			
Repayment of bank loans		**(598,805)**	(867,663)
Payment of financing fees		**(1,758)**	(1,942)
Gross proceeds from bank loans		**772,576**	989,858
Net proceeds from issuance of new units		**198,964**	153,189
Distribution to public trust Unitholders		**(203,959)**[1]	(212,088)
Interest paid		**(39,723)**	(33,290)
Net cash provided by financing activities		**127,295**	28,064
Net increase/(decrease) in cash and cash equivalents		**2,591**	(566)
Cash and cash equivalents at beginning of financial year		**37,419**	37,985
Effects of currency translation on cash and cash equivalents		*****	–
Cash and cash equivalents at end of financial year	11	**40,010**	37,419

* Amount less than $1,000

1 This amount excludes S$55.8 million distributed through the issuance of 29,239,867 new units in MIT in FY18/19 as part payment of distributions for the period from 1 July 2018 to 19 February 2019, pursuant to the Distribution Reinvestment Plan ("DRP").

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Reconciliation of liabilities arising from financing activities

			Non-cash movements			
	1 April 2018 $'000	**Principal and interest payments $'000**	**Borrowing cost $'000**	**Foreign exchange movement $'000**	**Fair value changes on derivative financial instruments $'000**	**31 March 2019 $'000**
Borrowings, interest payable and prepaid financing fees	**1,223,261**	**132,290**	**41,306**	**4,561**	**986**	**1,402,404**

			Non-cash movements		
	1 April 2017 $'000	Principal and interest payments $'000	Borrowing cost $'000	Foreign exchange movement $'000	31 March 2018 $'000
Borrowings, interest payable and prepaid financing fees	1,111,199	86,963	35,337	(10,238)	1,223,261

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group		MIT	
	FY18/19	FY17/18	**FY18/19**	FY17/18
	$'000	$'000	**$'000**	$'000
OPERATIONS				
Balance at beginning of year	**941,088**	852,646	**915,043**	835,344
Profit for the year	**271,126**	300,530	**253,605**	291,787
Distributions	**(259,741)**	(212,088)	**(259,741)**	(212,088)
Balance at end of year	**952,473**	941,088	**908,907**	915,043
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of year	**1,839,263**	1,684,051	**1,839,263**	1,684,051
Issue of new units pursuant to the private placement	**201,035**	155,740	**201,035**	155,740
Issue of new units pursuant to the DRP	**55,781**	–	**55,781**	–
Manager's management fees paid in units	**3,143**	2,023	**3,143**	2,023
Manager's acquisition fee paid in units	**3,363**	–	**3,363**	–
Issue expenses	**(2,071)**	(2,551)	**(2,071)**	(2,551)
Balance at end of year	**2,100,514**	1,839,263	**2,100,514**	1,839,263
HEDGING RESERVE				
Balance at beginning of year	**393**	(3,908)	**(133)**	(3,908)
Fair value losses	**(3,939)**	(718)	**(3,939)**	(718)
Cash flow hedges realised and transferred to borrowing cost (Note 7)	**1,300**	4,493	**1,300**	4,493
Share of hedging reserve of joint venture	**(3,094)**	526	**–**	–
Balance at end of year	**(5,340)**	393	**(2,772)**	(133)
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of year	**(672)**	–	**–**	–
Currency translation differences arising from share of joint venture	**551**	(672)	**–**	–
Balance at end of year	**(121)**	(672)	**–**	–
Total Unitholders' funds at the end of the year	**3,047,526**	2,780,072	**3,006,649**	2,754,173

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

PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT				
Flatted Factories				
Chai Chee Lane	26/08/2011	60 years	52 years	510, 512 & 514 Chai Chee Lane Singapore
Changi North	01/07/2008	60 years	49 years	11 Changi North Street 1 Singapore
Clementi West	01/07/2008	30 years	19 years	1 Clementi Loop Singapore
Kaki Bukit	01/07/2008	60 years	49 years	2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore
Kallang Basin 1	26/08/2011	20 years	12 years	5 & 7 Kallang Place Singapore
Kallang Basin 2	26/08/2011	20 years	12 years	9 & 11 Kallang Place Singapore
Kallang Basin 3	26/08/2011	30 years	22 years	16 Kallang Place Singapore
Kallang Basin 4	01/07/2008	33 years	22 years	26, 26A, 28 & 30 Kallang Place Singapore
Kallang Basin 5	01/07/2008	33 years	22 years	19, 21 & 23 Kallang Avenue Singapore
Kallang Basin 6	01/07/2008	33 years	22 years	25 Kallang Avenue Singapore
Kampong Ampat	01/07/2008	60 years	49 years	171 Kampong Ampat Singapore
Kampong Ubi	26/08/2011	60 years	52 years	3014A, 3014B & 3015A Ubi Road 1 Singapore
Kolam Ayer 1	01/07/2008	43 years	32 years	8, 10 & 12 Lorong Bakar Batu Singapore
Kolam Ayer 2	01/07/2008	43 years	32 years	155, 155A & 161 Kallang Way Singapore
Kolam Ayer 5	01/07/2008	43 years	32 years	1, 3 & 5 Kallang Sector Singapore

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

Gross revenue FY18/19 $'000	Gross revenue FY17/18 $'000	Average occupancy rate FY18/19 %	Average occupancy rate FY17/18 %	Latest valuation date	Valuation as at 31/03/2019 $'000	Valuation as at 31/03/2018 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2019 %	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %
12,406	12,275	**87.9**	85.9	31/03/2019[7]	**151,000**	151,000	**5.0**	5.4
1,763	1,692	**92.5**	85.1	31/03/2019[7]	**19,700**	19,700	**0.6**	0.7
4,366	4,693	**87.6**	93.4	31/03/2019[7]	**36,300**	37,200	**1.2**	1.3
16,790	19,017	**72.0**	93.6	31/03/2019[7]	**203,000**	202,000	**6.7**	7.3
2,838	2,880	**90.2**	90.8	31/03/2019[7]	**16,600**	18,000	**0.5**	0.7
5,078	5,096	**89.1**	89.0	31/03/2019[7]	**30,100**	33,000	**1.0**	1.2
7,663	7,642	**86.0**	84.3	31/03/2019[7]	**77,400**	78,000	**2.5**	2.8
7,814	8,155	**84.7**	89.6	31/03/2019[7]	**72,600**	76,000	**2.4**	2.7
6,099	6,247	**91.5**	95.1	31/03/2019[7]	**55,400**	56,400	**1.8**	2.0
4,397	4,490	**85.4**	87.7	31/03/2019[7]	**40,400**	41,300	**1.3**	1.5
11,390	11,145	**98.7**	99.9	31/03/2019[7]	**116,000**	109,000	**3.8**	3.9
10,864	10,639	**95.9**	93.5	31/03/2019[7]	**125,000**	125,000	**4.1**	4.5
7,224	7,477	**92.5**	95.8	31/03/2019[7]	**75,200**	75,000	**2.5**	2.7
6,865	7,177	**87.1**	88.5	31/03/2019[7]	**70,200**	70,000	**2.3**	2.5
9,094	8,809	**90.7**	89.8	31/03/2019[7]	**89,000**	87,000	**2.9**	3.1

PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Loyang 1	01/07/2008	60 years	49 years	30 Loyang Way Singapore
Loyang 2	01/07/2008	60 years	49 years	2, 4 & 4A Loyang Lane Singapore
Redhill 1	01/07/2008	30 years	19 years	1001, 1001A & 1002 Jalan Bukit Merah Singapore
Redhill 2	01/07/2008	30 years	19 years	1003 & 3752 Bukit Merah Central Singapore
Tanglin Halt	01/07/2008	56 years	45 years	115A & 115B Commonwealth Drive Singapore
Tiong Bahru 1	01/07/2008	30 years	19 years	1090 Lower Delta Road Singapore
Tiong Bahru 2	01/07/2008	30 years	19 years	1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore
Toa Payoh North 2	01/07/2008	30 years	19 years	1004 Toa Payoh North Singapore
Toa Payoh North 3	01/07/2008	30 years	19 years	1008 & 1008A Toa Payoh North Singapore
Hi-Tech Buildings				
1 & 1A Depot Close	01/07/2008	60 years	49 years	1 & 1A Depot Close Singapore
26A Ayer Rajah Crescent	27/01/2015[2]	30 years	24 years	26A Ayer Rajah Crescent Singapore
30A Kallang Place	01/07/2008	33 years	22 years	30A Kallang Place Singapore
K&S Corporate Headquarters	04/10/2013[2]	30 + 28.5 years	52 years	23A Serangoon North Avenue 5 Singapore
Mapletree Sunview 1[3]	13/07/2018[2]	30 years	28 years	12 Sunview Drive Singapore
Serangoon North	01/07/2008	60 years	49 years	6 Serangoon North Avenue 5 Singapore

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

Gross revenue FY18/19 $'000	Gross revenue FY17/18 $'000	Average occupancy rate FY18/19 %	Average occupancy rate FY17/18 %	Latest valuation date	Valuation as at 31/03/2019 $'000	Valuation as at 31/03/2018 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2019 %	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %
5,937	6,079	**82.0**	81.3	31/03/2019[7]	**66,300**	65,700	**2.2**	2.4
3,778	3,635	**82.1**	80.1	31/03/2019[7]	**40,400**	38,800	**1.3**	1.4
6,594	6,699	**89.8**	90.6	31/03/2019[7]	**61,800**	63,400	**2.0**	2.3
5,496	5,635	**86.7**	87.1	31/03/2019[7]	**53,000**	53,800	**1.7**	1.9
4,263	4,282	**93.6**	94.0	31/03/2019[7]	**47,000**	47,000	**1.5**	1.7
2,176	2,111	**83.3**	81.3	31/03/2019[7]	**19,300**	19,500	**0.6**	0.7
7,367	7,394	**87.6**	88.9	31/03/2019[7]	**65,300**	66,700	**2.1**	2.4
2,559	2,621	**92.8**	95.3	31/03/2019[7]	**20,500**	20,500	**0.7**	0.7
2,915	3,175	**89.3**	94.5	31/03/2019[7]	**26,500**	26,200	**0.9**	0.9
38,204	29,640	**100.0**	77.7	31/03/2019[7]	**394,000**	384,000	**12.9**	13.8
8,727	8,556	**100.0**	100.0	31/03/2019[7]	**125,000**	122,000	**4.1**	4.4
5,736	32	**22.5**	**–**	31/03/2019[7]	**98,200**	93,000	**3.2**	3.4
7,996	7,628	**98.7**	97.5	31/03/2019[7]	**61,700**	61,000	**2.0**	2.2
3,145	–	**92.9**	–	31/03/2019[7]	**75,000**	–	**2.5**	–
18,042	16,649	**94.3**	87.7	31/03/2019[7]	**182,000**	169,000	**6.0**	6.1

PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Toa Payoh North 1	01/07/2008	30 years	19 years	970, 978, 988 & 998 Toa Payoh North Singapore
Woodlands Central	01/07/2008	60 years	49 years	33 & 35 Marsiling Industrial Estate Road 3 Singapore
Business Park Buildings				
The Signature	01/07/2008	60 years	49 years	51 Changi Business Park Central 2 Singapore
The Strategy	01/07/2008	60 years	49 years	2 International Business Park Singapore
The Synergy	01/07/2008	60 years	49 years	1 International Business Park Singapore
Stack-up/Ramp-up Buildings				
Woodlands Spectrum 1 & 2	01/07/2008	60 years	49 years	2 Woodlands Sector 1, 201, 203, 205, 207, 209 and 211 Woodlands Avenue 9 Singapore
Light Industrial Building				
2A Changi North Street 2	28/05/2014	30 + 30 years	42 years	2A Changi North Street 2 Singapore
Subtotal – Investment properties held under MIT				
Investment property under development held under MIT				
Hi-Tech Buildings				
Mapletree Sunview 1[3]	–	30 years	28 years	12 Sunview Drive Singapore
7 Tai Seng Drive[4]	27/06/2018	30 + 30 years	34 years	7 Tai Seng Drive Singapore
Subtotal – Investment property under development held under MIT				
Subtotal – MIT				

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

Gross revenue FY18/19 $'000	Gross revenue FY17/18 $'000	Average occupancy rate FY18/19 %	Average occupancy rate FY17/18 %	Latest valuation date	Valuation as at 31/03/2019 $'000	Valuation as at 31/03/2018 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2019 %	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %
13,118	13,656	**90.3**	93.7	31/03/2019[7]	**111,000**	111,000	**3.6**	4.0
11,206	10,351	**98.4**	91.8	31/03/2019[7]	**114,000**	107,000	**3.8**	3.9
14,181	13,634	**88.8**	88.2	31/03/2019[7]	**151,000**	149,000	**5.0**	5.4
20,800	26,995	**72.4**	82.1	31/03/2019[7]	**298,000**	293,000	**9.8**	10.5
11,535	11,782	**84.0**	82.4	31/03/2019[7]	**132,000**	128,000	**4.3**	4.6
43,853	44,697	**90.3**	93.2	31/03/2019[7]	**473,000**	467,000	**15.5**	16.8
1,164	1,141	**100.0**	100.0	31/03/2019[7]	**14,500**	14,500	**0.5**	0.5
353,443	343,826				**3,807,400**	3,678,700		
–	–	**–**	–	31/03/2019[7]	**–**	51,700	**–**	1.9
260	–	**14.8**	–	31/03/2019[7]	**82,100**	–	**2.7**	–
260	–				**82,100**	51,700		
353,703	343,826				**3,889,500**	3,730,400		

PORTFOLIO STATEMENT

AS AT 31 MARCH 2019

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under Mapletree Singapore Industrial Trust ("MSIT")				
Hi-Tech Buildings				
19 Tai Seng Drive	21/10/2010	30 + 30 years	32 years	19 Tai Seng Drive Singapore
STT Tai Seng 1	21/10/2010	30 + 30 years	50 years	35 Tai Seng Street Singapore
Light Industrial Buildings				
19 Changi South Street 1	21/10/2010	30 + 30 years	38 years	19 Changi South Street 1 Singapore
26 Woodlands Loop	21/10/2010	30 + 30 years	36 years	26 Woodlands Loop Singapore
45 Ubi Road 1	21/10/2010	30 + 30 years	34 years	45 Ubi Road 1 Singapore
65 Tech Park Crescent[5]	21/10/2010	60 years	34 years	65 Tech Park Crescent Singapore
Subtotal – MSIT				
Investment property held under MIT Tai Seng Trust ("MITTST")				
Hi-Tech Building				
18 Tai Seng	01/02/2019	30 years	25 years	18 Tai Seng Street Singapore
Subtotal – MITTST				

Gross revenue / investment properties and investment properties under development – Group[6]
Investment in a joint venture (Note 18)
Other assets and liabilities (net) – Group
Net assets attributable to Unitholders – Group

* Refers to the tenure of underlying land. Remaining term of lease includes option to renew the land leases.
1 A cluster consists of one or more individual buildings situated on the same land lot or adjoining land lots.
2 Refers to the Temporary Occupation Permit ("TOP") date.
3 12 Sunview Drive, which has been renamed as Mapletree Sunview 1, had obtained the TOP on 13 July 2018 and had been reclassified as an investment property.
4 The acquisition of 7 Tai Seng Drive was completed on 27 June 2018 and is currently under development to be upgraded into a high specification building.
5 The property was divested on 20 July 2017.
6 Investment properties comprise a portfolio of industrial buildings that are leased to external customers.

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

Gross revenue FY18/19 $'000	Gross revenue FY17/18 $'000	Average occupancy rate FY18/19 %	Average occupancy rate FY17/18 %	Latest valuation date	Valuation as at 31/03/2019 $'000	Valuation as at 31/03/2018 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2019 %	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %
2,274	2,026	**100.0**	100.0	31/03/2019[7]	**21,800**	21,200	**0.7**	0.8
10,784	11,233	**100.0**	100.0	31/03/2019[7]	**95,700**	95,700	**3.1**	3.4
1,249	1,223	**85.5**	82.2	31/03/2019[7]	**13,000**	13,000	**0.4**	0.5
2,190	2,219	**100.0**	100.0	31/03/2019[7]	**25,500**	25,500	**0.8**	0.9
2,418	2,362	**98.9**	95.3	31/03/2019[7]	**22,500**	22,500	**0.7**	0.8
–	341	**–**	100.0	31/03/2017	**–**	–	**–**	–
18,915	19,404				**178,500**	177,900		
3,483	–	**91.5**	–	30/11/2018[8]	**268,300**	–	**8.8**	–
3,483	–				**268,300**	–		
376,101	363,230				**4,336,300**	3,908,300	**142.3**	140.6
					194,101	181,158	**6.4**	6.5
					(1,482,875)	(1,309,386)	**(48.7)**	(47.1)
					3,047,526	2,780,072	**100.0**	100.0

7 The carrying amounts of the Singapore investment properties were based on independent valuations as at 31 March 2019. The valuations were undertaken by Knight Frank Pte Ltd ("Knight Frank"), an independent valuer. Knight Frank has appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the Income Capitalisation method, Discounted Cash Flow method, Residual Land Value method, and where applicable, the Direct Sale Comparison method as described in Note 14(d). It is the intention of the Group and MIT to hold the investment properties for the long term.

8 The carrying amount of the property was based on independent valuation as at 30 November 2018. The valuation was undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"), an independent valuer. Colliers has appropriate professional qualifications and experience in the location and category of the property being valued. The valuation of the investment property was based on the Income Capitalisation method and Discounted Cash Flow method, and where applicable, the Direct Sale Comparison method as described in Note 14(d). It is the intention of the Group to hold the investment property for the long term.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

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

1. GENERAL INFORMATION

Mapletree Industrial Trust ("MIT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 29 January 2008 (as amended) between Mapletree Industrial Fund Management Pte. Ltd. and Mapletree Trustee Pte. Ltd.. The Trust Deed is governed by the laws of the Republic of Singapore. Mapletree Industrial Trust Management Ltd. (the "Manager") replaced Mapletree Industrial Fund Management Pte. Ltd. as Manager of MIT on 27 September 2010 and DBS Trustee Limited (the "Trustee") replaced Mapletree Trustee Pte. Ltd. as Trustee of MIT on 27 September 2010.

MIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 October 2010 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 6 September 2010.

The principal activity of MIT and its subsidiaries (the "Group") is to invest in a diverse portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

In addition to the Trust Deed, MIT has entered into several service agreements in relation to the management of MIT and its property operations. The fee structures for the services are as follows:

(A) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of Group ("Deposited Property") (subject to a minimum of $12,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Trustee's fees are payable monthly in arrears out of the Deposited Property of the Group. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current arrangement between the Manager and the Trustee, the Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $12,000 per month).

(B) Manager's Management fees

The Manager is entitled under the Trust Deed to receive the following remuneration:

(i) A base fee of 0.5% per annum of the value of MIT's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) A performance fee of 3.6% per annum of the net property income of MIT or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager will be paid in the form of cash and/or units. The base and performance fees are paid in cash and/or units are paid quarterly and annually, in arrears respectively.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1. GENERAL INFORMATION (CONTINUED)

(C) Acquisition, Divestment and Development Management fees

The Manager is entitled to receive the following fees (if not prohibited by the Property Funds Appendix or if otherwise permitted):

(i) an acquisition fee not exceeding 1.0% of the acquisition price of real estate or real estate-related assets acquired directly or indirectly, through one or more Special Purpose Vehicles ("SPV"), pro-rated if applicable to the proportion of MIT's interest. For the purpose of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate;

(ii) a divestment fee not exceeding 0.5% of the sale price of real estate-related assets disposed, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate; and

(iii) a development management fee not exceeding 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of MIT.

The acquisition and divestment fees will be paid in the form of cash and/or units and are payable as soon as practicable after completion of the acquisition and disposal respectively.

The development management fee will be paid in the form of cash and is payable in equal monthly instalments over the construction period based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs are finalised.

(D) Property Manager's Management fees

(i) Property management services

The Trustee will pay Mapletree Facilities Services Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), a fee of up to 2.0% per annum of the gross revenue of each property.

(ii) Lease management services

The Trustee will pay the Property Manager, for each fiscal year, a fee of up to 1.0% per annum of the gross revenue of each property.

(iii) Marketing services

The Trustee will pay the Property Manager, the following commissions:

- Up to 1 month's gross rent inclusive of service charge, for securing a tenancy of 3 years or less;
- Up to 2 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years;

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

1. GENERAL INFORMATION (CONTINUED)

(D) Property Manager's Management fees (continued)

(iii) Marketing services (continued)

- Up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of 3 years or less; or
- Up to 1 month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than 3 years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to a marketing services commission of:

- Up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of 3 years or less; or
- Up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years.

(iv) Project management services

The Trustee will pay the Property Manager, for each development or redevelopment, the refurbishment, retrofitting and renovation work of a property located in Singapore, the following fees:

- Where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;
- Where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs or $60,000, whichever is the higher;
- Where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs or $400,000, whichever is the higher; and
- Where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

The Property Manager's fees will be paid in the form of cash and are payable monthly, in arrears.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Accounting Standards Council (Singapore) has introduced a new financial reporting framework, SFRS(I), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board, for the financial year beginning on or after 1 January 2018.

The Monetary Authority of Singapore ("MAS") has granted a waiver to the Group from complying with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes (the "CIS Code") to prepare its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS"). The Group has adopted SFRS(I) for the financial year beginning 1 April 2018 and the financial statements of the Group have been prepared in accordance with SFRS(I). The financial statements have also been prepared in accordance with the applicable requirements of the CIS Code issued by MAS and the provisions of the Trust Deed.

These financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, have been prepared 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 area involving a higher degree of judgment, where assumptions and estimates are significant to the financial statements, is disclosed in Note 14 – Investment properties and investment property under development. The assumptions and estimates were used by the independent valuers in arriving at their valuations.

2.2 Adoption of SFRS(I)

These financial statements for the year ended 31 March 2019 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with SFRS.

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening Statement of Financial Position has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition"). There is no restatement on the opening balances arising from the transition from SFRS to SFRS(I).

<u>Optional exemptions applied</u>

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis.

The Group has elected to apply the short-term exemption to adopt of SFRS(I) 9 *Financial Instruments* on 1 April 2018 in preparing this first set of financial statements in accordance with SFRS(I). Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Adoption of SFRS(I) (continued)

Optional exemptions applied (continued)

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 is as disclosed in Note 2.9.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax ("GST"), rebates and discounts.

Revenue is recognised as follows:

(a) Rental income and service charges from operating leases

Rental income and service charges (net of any incentives given to the lessees) from operating leases on the investment properties are recognised on a straight-line basis over the lease term.

(b) Other operating income

Other operating income comprises carpark income and other ancillary income. Other operating income is recognised when the right to receive payment is established after services have been rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Investment income

Distribution 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.

2.4 Government grants

Grants from government are recognised as receivable at their fair value when there is reasonable assurance that the grant 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 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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property expenses are Property Manager's fees which are based on the applicable formula stipulated in Note 1(D).

(b) Manager's management fees

Manager's management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(B).

2.6 Income tax

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of 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 from investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense 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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Income tax (continued)

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MIT for the income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of MIT, the Trustee will not be taxed on the portion of taxable income of MIT that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of MIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

Although MIT is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from the distributions of such taxable income of MIT (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. The Trustee and the Manager will not deduct tax from the distributions made out of MIT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- A Singapore branch of a foreign company
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act; and
- Real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the gains without tax being deducted at source.

2.7 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 investment 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 that control ceases.

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 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 the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

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

(iii) Disposals

When a change in MIT'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.

Any retained 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 the Statements of Profit or Loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in subsidiaries in Note 2.8.

(b) Transactions with non-controlling interests

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Group accounting (continued)

(c) Joint ventures

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 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 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 joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the 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 Group's share of its 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 joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in joint venture equals to or exceeds its interest in the 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 joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former 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 joint control ceases, and its fair value and any proceeds on partial disposal, is recognised in the profit or loss.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Trust.

2.8 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in MIT's Statement of Financial Position. On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

The accounting for financial assets from 1 April 2018 are as follows:

(a) Classification and measurement

The Group classifies the measurement category of its financial assets as amortised cost.

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.

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus directly attributable transaction costs.

(ii) At subsequent measurement

Financial assets mainly comprise of cash and cash equivalents, trade and other receivables, other current assets (except prepayments) and loans to subsidiaries that are not accounted for in accordance with Note 2.8, are subsequently carried at amortised cost.

Financial assets 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 financial assets 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.

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25(b) details how the Group determines whether there has been a significant increase in credit risk.

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

(c) Recognition and derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

The accounting for financial assets before 1 April 2018 are as follows:

(d) Classification and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables include cash and cash equivalents, trade and other receivables and other current assets except for prepayments in the Statements of Financial Position.

(i) At initial measurement

These financial assets are initially recognised at fair value plus directly attributable transaction costs.

(ii) At subsequent measurement

These financial assets are subsequently carried at amortised cost using the effective interest method.

(e) Impairment

The Group assesses at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

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

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

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

(f) Recognition and derecognition

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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Borrowing costs

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

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.11 Investment properties and property under development

Investment properties are properties that are held for long-term rental yields and/or for capital appreciation. Investment property under development includes property that is being constructed or developed for future use as an investment property. Certain of the Group's investment properties acquired through interests in subsidiaries, are accounted for as acquisition of assets.

Investment properties are accounted for as non-current assets and are initially recognised at cost including transaction costs and borrowing costs and subsequently carried at fair value. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuer at least once a year, on the highest and best-use basis in accordance with the CIS Code. Changes in fair values are recognised in the profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations, improvements and initial direct costs incurred in negotiating and arranging operating leases are capitalised and the carrying amounts of the replaced components are written off to the profit or loss. The costs of maintenance, repairs and minor improvements are charged to the profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the profit or loss.

2.12 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.13 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised 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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Plant and equipment (continued)

(b) Depreciation

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

	Useful life
Plant and equipment	3 – 5 years

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

(c) Subsequent expenditure

Subsequent expenditure relating to 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 in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

2.14 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets 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 Cash Generating Unit (“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 the profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Impairment of non-financial assets (continued)

A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss, unless the asset is carried 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 the profit or loss.

2.15 Financial guarantees classified as insurance contracts

Corporate guarantees issued by MIT to banks for borrowings of its subsidiary and joint venture are financial guarantees as they require MIT to reimburse the banks if the subsidiary or joint venture fails to make principal or interest payment overdue in accordance with the terms of the borrowings. These financial guarantees are accounted for as insurance contracts. Provision is recognised based on MIT's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract. Intra-group transactions are eliminated on consolidation.

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

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the 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.

2.18 Derivative financial instruments and hedging activities

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) fair value hedge; or (b) cash flow 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 the profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments and hedging activities (continued)

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

The fair value of various derivative financial instruments used for hedging purposes are disclosed in Note 21. 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 instrument is more than 12 months and as a current asset or liability if the remaining expected life of the hedged instrument is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedges in placed as at 31 March 2019 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 thus treated as continuing hedges.

(a) 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 and presented separately in "other gains and losses".

(b) 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 the profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments and hedging activities (continued)

(b) Cash flow hedge (continued)

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges and are used to hedge the highly probable forecasted foreign currency dividend income receivable from the investment in joint venture. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to the profit or loss upon receipt of the dividend income.

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

(c) Net investment hedge

The Group has foreign currency 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 borrowings relating to the effective portion of the hedge are accumulated in the foreign currency translation reserve and reclassified to the 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 the profit or loss.

2.19 Fair value estimation of financial assets and liabilities

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

The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Leases

(a) When the Group is a lessee:

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

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

(b) When the Group is a lessor:

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

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 MIT.

(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 translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, the consolidated financial statements, currency translation differences on the net investment hedges for foreign operations, borrowing in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, are included in the foreign currency translation reserve within the Statement of Movements in Unitholders' Funds of the Group.

(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 rates at the reporting date;

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Currency translation (continued)

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

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve. When a foreign operation is sold, such currency translation differences recorded in the foreign currency translation reserve are recognised in the profit or loss as part of the gain or loss on sale.

2.23 Units and unit issuance expenses

Proceeds from the issuance of Units in MIT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new Units are deducted directly from the net assets attributable to the Unitholders.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.25 Distribution policy

MIT's distribution policy is to distribute at least 90% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses and allowances, as well as interest income from the placement of periodic cash surpluses in bank deposits. Distributions, when paid, will be in Singapore Dollars.

3. GROSS REVENUE

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Rental income and service charges	**350,287**	337,796	**328,443**	319,034
Other operating income	**25,814**	25,434	**25,260**	24,792
	376,101	363,230	**353,703**	343,826

Gross revenue is generated by the Group's and MIT's investment properties.

Majority of the Group's and MIT's gross revenue is earned over time.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

4. PROPERTY OPERATING EXPENSES

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Operation and maintenance	**38,601**	38,156	**37,150**	36,764
Property tax	**29,144**	26,932	**27,852**	25,915
Property and lease management fees	**11,252**	10,897	**10,580**	10,315
Marketing and legal expenses	**6,760**	7,189	**6,628**	5,659
Land rental expenses on operating leases	**2,149**	2,006	**939**	781
Other operating expenses	**425**	447	**405**	424
	88,331	85,627	**83,554**	79,858

All of the Group's and MIT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

5. INTEREST INCOME

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Financial assets measured at amortised cost:				
– loan to a joint venture	**–**	919	**–**	919
– loan to a subsidiary	**–**	–	**732**	–
– fixed deposits	**31**	14	**26**	5
– third parties	**215**	94	**213**	70
	246	1,027	**971**	994

6. INVESTMENT INCOME

	MIT	
	FY18/19 $'000	FY17/18 $'000
Distribution income from:		
– subsidiaries	**15,191**	16,098
– joint venture	**15,192**	3,234
	30,383	19,332

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

7. BORROWING COSTS

	Group		MIT	
	FY18/19	FY17/18	**FY18/19**	FY17/18
	$'000	$'000	**$'000**	$'000
Interest expense				
– Bank borrowings	**25,307**	16,034	**25,307**	16,034
– Medium term notes	**13,794**	14,029	**–**	–
– Loans from a subsidiary	**–**	–	**13,794**	14,029
	39,101	30,063	**39,101**	30,063
Financing fees	**1,206**	1,575	**1,206**	1,575
Cash flow hedges reclassified from hedging reserves	**1,300**	4,493	**1,300**	4,493
Finance income on interest rate swap treated as fair value hedge	**(301)**	(794)	**(301)**	(794)
Fair value (gains)/losses on derivative financial instrument (Note 21)	**(986)**	65	**(986)**	65
Fair value adjustment on hedged item (Note 20)	**986**	(65)	**986**	(65)
	–	–	**–**	–
Less: Borrowing costs capitalised in investment property under development [Note 14 (a)]	**(1,198)**	(1,282)	**(1,198)**	(1,282)
Borrowing costs recognised in profit or loss	**40,108**	34,055	**40,108**	34,055

8. OTHER TRUST EXPENSES

	Group		MIT	
	FY18/19	FY17/18	**FY18/19**	FY17/18
	$'000	$'000	**$'000**	$'000
Listing expenses	**978**	813	**978**	813
Valuation fee	**109**	124	**104**	116
Audit fee	**139**	133	**126**	122
Legal and other professional fees	**775**	252	**759**	244
	2,001	1,322	**1,967**	1,295

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

9. INCOME TAX

(a) Income tax expense

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Tax expense attributable to profit is made up of:				
– Current income tax	*	32	–	32
Under provision in prior financial year				
– Current income tax	*	–	–	–
	*	32	–	32

* Amount less than $1,000

The tax on total profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Profit before tax	**271,126**	300,562	**253,605**	291,819
Share of joint venture	**(26,138)**	(21,776)	**–**	–
Profit before tax excluding share of joint venture	**244,988**	278,786	**253,605**	291,819
Tax calculated at a tax rate of 17% (FY17/18: 17%)	**41,648**	47,394	**43,113**	49,609
Effects of:				
– Expenses not deductible for tax purposes	**1,159**	1,178	**1,159**	1,067
– Income not subjected to tax due to tax transparency ruling (Note 2.6)	**(37,578)**	(37,410)	**(39,409)**	(39,125)
– Net fair value gain on investment properties and investment property under development	**(5,229)**	(11,130)	**(4,863)**	(11,519)
– Under provision in prior financial year	*	–	–	–
	*	32	–	32

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

9. INCOME TAX (CONTINUED)

(b) Current income tax liabilities

	Group		MIT	
	31 March 2019 $'000	31 March 2018 $'000	**31 March 2019 $'000**	31 March 2018 $'000
Beginning of financial year	**32**	*	**32**	–
Tax expense	*****	32	**–**	32
Under provision in prior financial year	*****	–	**–**	–
Income tax paid	**(*)**	(*)	**–**	–
Acquisition of a subsidiary	**208**	–	**–**	–
End of financial year	**240**	32	**32**	32

* Amount less than $1,000

The income tax liabilities relate to taxable income of Mapletree Industrial Trust, Mapletree Industrial Trust Treasury Company Pte. Ltd and MIT Tai Seng Trust when it was a private trust.

10. EARNINGS PER UNIT

	Group	
	FY18/19	FY17/18
Total profit attributable to Unitholders of the Group ($'000)	**271,126**	300,530
Weighted average number of units outstanding during the year ('000)	**1,902,627**	1,836,442
Basic and diluted earnings per unit (cents per unit)	14.25	16.36

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year.

11. CASH AND CASH EQUIVALENTS

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Cash at bank	**21,010**	37,419	15,685	**14,308**	30,810	13,236
Short-term bank deposits	**19,000**	–	22,300	**8,000**	–	17,900
	40,010	37,419	37,985	**22,308**	30,810	31,136

Short-term bank deposits as at 31 March 2019 have a weighted average maturity of approximately 1 month (31 March 2018: nil and 1 April 2017: 1 month). The interest rates ranged from 1.40% to 1.61% (31 March 2018: nil and 1 April 2017: 0.40% to 0.64%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

12. TRADE AND OTHER RECEIVABLES

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Trade receivables						
– third parties	**1,855**	3,541	1,271	**1,512**	3,504	875
– subsidiaries	**–**	–	–	**–**	7	–
Less : Allowance for impairment of receivables	**–**	–	–	**–**	–	–
Trade receivables – net	**1,855**	3,541	1,271	**1,512**	3,511	875
Interest receivables						
– third parties	**1**	–	2	**1**	–	*
– subsidiary	**–**	–	–	**732**	–	–
Distribution receivable from:						
– subsidiaries	**–**	–	–	**5,022**	3,194	2,829
– joint venture	**3,804**	3,234	–	**3,804**	3,234	–
Other receivables						
– third parties	**1,086**	1,299	109	**1,039**	1,286	79
– related party	**–**	–	154	**2**	–	150
Accrued revenue						
– rental incentives	**25,807**	15,640	8,027	**20,163**	15,358	7,713
– others	**932**	684	658	**810**	661	651
Net GST receivable	**2**	–	–	**–**	–	–
	33,487	24,398	10,221	**33,085**	27,244	12,297

* Amount less than $1,000

Other receivables due from a related party (non-trade) is unsecured, interest free and repayable on demand.

13. OTHER CURRENT ASSETS

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Prepayments	**1,564**	1,552	1,145	**987**	893	410
Deposits	**163**	20	57	**151**	18	53
	1,727	1,572	1,202	**1,138**	911	463

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT

(a) Investment properties and investment property under development

	Group		MIT	
	Investment properties $'000	Investment property under development $'000	Investment properties $'000	Investment property under development $'000
31 March 2019				
Beginning of financial year	**3,856,600**	**51,700**	**3,678,700**	**51,700**
Acquisition of a subsidiary	**266,208**	**–**	**–**	**–**
Additions during the year	**109,506**	**21,529**	**108,966**	**21,529**
Net transfers during the year	**(8,869)**	**8,869**	**(8,869)**	**8,869**
Net fair value gain	**30,755**	**2**	**28,603**	**2**
End of financial year	**4,254,200**	**82,100**	**3,807,400**	**82,100**
31 March 2018				
Beginning of financial year	3,530,850	217,800	3,333,000	217,800
Additions during the year	17,524	94,256	17,587	94,256
Divestment during the year	(17,600)	–	–	–
Net transfers during the year	260,821	(260,821)	260,821	(260,821)
Net fair value gain	65,005	465	67,292	465
End of financial year	3,856,600	51,700	3,678,700	51,700

Details of the properties are shown in the Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating leases [Note 24(c)].

During the year, borrowing costs amounting to $1,198,000 (FY17/18: $1,282,000) have been capitalised in the investment property under development (Note 7).

Valuation processes of the Group

The Manager engaged an external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use.

At every financial year end, the Manager:

- verifies all major inputs to the independent valuation reports,
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussion with the independent valuers.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(b) Fair value hierarchy

The different levels of recurring non-financial assets carried at fair value are defined as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

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

All properties within MIT and the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) Reconciliation of Level 3 fair value measurements

The reconciliation between the balances at the beginning of the financial year is disclosed within the investment properties and investment property under development movement table presented in Note 14(a).

(d) Valuation techniques and key unobservable inputs

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and investment property under development categorised under Level 3 of the fair value hierarchy:

Property segment	Valuation technique(s)	Key unobservable inputs[#]	Range of unobservable inputs
Flatted Factories	Income capitalisation	Capitalisation rate	From to 6.50% to 7.75% (31 March 2018: From 6.50% to 7.75%; 1 April 2017: From 6.50% to 7.25%)
	Discounted cash flow	Discount rate	From 7.75% to 9.00% (31 March 2018: 7.75% to 9.00%; 1 April 2017: 8.00%)
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	From 5.70% to 7.05% (31 March 2018: From 6.25% to 7.00%; 1 April 2017: From 6.50% to 7.00%)
	Discounted cash flow	Discount rate	7.75% (31 March 2018: 7.75%; 1 April 2017: 8.00%)
	Residual land value	Gross development value	The same capitalisation rate and discount rate as disclosed for this property segment have been applied in determining the gross development value.

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AS AT 31 MARCH 2019

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs (continued)

Property segment	Valuation technique(s)	Key unobservable inputs(#)	Range of unobservable inputs
Business Park Buildings	Income capitalisation	Capitalisation rate	5.90% (31 March 2018: 6.00%; 1 April 2017: 6.00%)
	Discounted cash flow	Discount rate	7.25% (31 March 2018: 7.50%; 1 April 2017: 8.00%)
Stack-up/ Ramp-up Buildings	Income capitalisation	Capitalisation rate	6.50% (31 March 2018: 6.50%; 1 April 2017: 7.00%)
	Discounted cash flow	Discount rate	7.75% (31 March 2018: 7.75%; 1 April 2017: 8.00%)
Light Industrial Buildings	Income capitalisation	Capitalisation rate	From 6.50% to 7.00% (31 March 2018: From 6.50% to 7.00%; 1 April 2017: From 6.50% to 6.75%)
	Discounted cash flow	Discount rate	7.75% (31 March 2018: 7.75%; 1 April 2017: 8.00%)

(#) There were no significant inter-relationships between unobservable inputs.

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net property income is the estimated annual net rental income of the building at current rate after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

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

- Residual land value – Investment property under development is valued, as a starting point using the Income Capitalisation method and Discounted Cash Flow method to derive the fair value of the property as if the development was already completed at reporting date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under development.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTY UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs (continued)

Equal weightage was applied to the Income Capitalisation method and Discounted Cash Flow method to derive at the valuation of investment properties. Where applicable, Direct Sale Comparison method was used as a check.

Significant reductions in the capitalisation rate and/or discount rate in isolation would result in a significantly higher fair value of the investment properties and investment property under development.

The significant unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.

The Manager is of the view that the valuation methods and estimates are reflective of the current market condition.

15. PLANT AND EQUIPMENT

	Group and MIT	
	31 March 2019 $'000	31 March 2018 $'000
Cost		
Beginning of financial year	**123**	32
Additions	**139**	91
End of financial year	**262**	123
Accumulated depreciation		
Beginning of financial year	**39**	29
Depreciation charge	**40**	10
End of financial year	**79**	39
Net book value		
End of financial year	**183**	84

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

16. INVESTMENTS IN SUBSIDIARIES

	MIT	
	31 March 2019 $'000	31 March 2018 $'000
Equity investments at cost		
Beginning of financial year	*	*
Additions	**113,585**	–
End of financial year	**113,585**	*

* Amount less than $1,000

On 1 February 2019, the Group acquired 100% of the equity interest in MIT Tai Seng Trust ("MITTST") from a related party. The principal activity of MITTST is to invest in the property with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. From the Group's perspective, the transaction has been accounted for as an acquisition of a group of assets and liabilities.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group at the acquisition date, are as follows:

	$'000
Total assets	**277,484**
Total liabilities	**(13,996)**
Net assets acquired	**263,488**
Less: Cash and cash equivalents in subsidiary acquired	**(10,872)**
Cash outflow on acquisition	**252,616**

Details of the subsidiaries are as follows:

Name of subsidiary	**Principal activities**	**Country of business/ incorporation**	**Equity interest held by MIT**		
			31 March 2019 %	**31 March 2018 %**	1 April 2017 %
Mapletree Singapore Industrial Trust**	Property investment	Singapore	**100**	100	100
MIT Tai Seng Trust**	Property investment	Singapore	**100**	–	–
Mapletree Industrial Trust Treasury Company Pte. Ltd.**	Provision of treasury services	Singapore	**100**	100	100

** Audited by PricewaterhouseCoopers LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

17. LOANS TO SUBSIDIARIES

	MIT	
	31 March 2019 $'000	31 March 2018 $'000
Beginning of financial year	**166,594**	179,794
Addition	**156,800**	–
Repayment	**–**	(13,200)
End of financial year	**323,394**	166,594

MIT has extended an interest free loan to one of its subsidiaries amounting to $166,594,000 (31 March 2018: $166,594,000; 1 April 2017: $179,794,000). This loan has no fixed repayment terms and is intended to be a long-term source of additional funding for the subsidiary. Settlement of these loans are neither planned nor likely to occur in the foreseeable future. The Manager considered this loan to be in substance part of the MIT's net investment in this subsidiary and has accounted for the loan in accordance with Note 2.8.

During the year, MIT has extended a loan to one of its subsidiaries amounting to $156,800,000 (31 March 2018 and 1 April 2017: nil) which is unsecured and repayable in full on 18 January 2024. The effective interest rate of the loan at reporting date is 2.89% per annum and the interest rates are repriced at each interest period mutually agreed between the subsidiary and MIT.

18. INVESTMENT IN A JOINT VENTURE

	MIT	
	31 March 2019 $'000	31 March 2018 $'000
Investment in a joint venture, at cost	**166,158**	166,158

There are no contingent liabilities relating to the Group's interest in the joint venture. MIT issued corporate guarantees to the banks for borrowings of Mapletree Redwood Data Centre Trust ("MRDCT") (Note 25 (b)).

Details of the joint venture are as follows:

Name of joint venture	**Principal activity**	**Country of business/ incorporation**	**Equity interest held by MIT and the Group**		
			31 March 2019 %	31 March 2018 %	1 April 2017 %
Mapletree Redwood Data Centre Trust	Property investment	Singapore	**40**	40	–

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

18. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture

Set out below is the summarised financial information for MRDCT.

Summarised statement of financial position

	MRDCT	
	31 March 2019 $'000	31 March 2018 $'000
Non-current assets		
Investment properties	**1,086,659**	1,032,827
Other non-current assets	**–**	1,315
Current assets		
Cash and cash equivalents	**14,770**	18,830
Other current assets	**11,416**	4,086
Total assets	**1,112,845**	1,057,058
Current liabilities	**18,671**	22,723
Non-current liabilities		
Borrowings	**608,579**	591,167
Other non-current liabilities	**10,676**	606
Total liabilities	**637,926**	614,496
Net assets	**474,919**	442,562

Summarised statement of comprehensive income

	FY18/19 $'000	Period from 20 December 2017 to 31 March 2018 $'000
Gross revenue	**93,506**	26,292
Property operating expenses	**(24,870)**	(7,538)
Interest expense	**(21,634)**	(5,286)
Net fair value gain of investment properties	**23,618**	44,689
Profit before income tax	**70,620**	58,157
Income tax expense	**(5,277)**	(3,716)
Profit for the financial year	**65,343**	54,441
Other comprehensive income	**8,009**	(8,857)
Total comprehensive income	**73,352**	45,584
Dividends declared/received from joint venture	**15,192**	3,234

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AS AT 31 MARCH 2019

18. INVESTMENT IN A JOINT VENTURE (CONTINUED)

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

Reconciliation of summarised financial information

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

	MRDCT	
	31 March 2019 $'000	31 March 2018 $'000
Net assets	**474,919**	442,562
Group's equity interest	**40%**	40%
Group's share of net assets	**189,968**	177,025
Acquisition cost	**4,133**	4,133
Carrying value	**194,101**	181,158

19. TRADE AND OTHER PAYABLES

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Current						
Trade payables						
– third parties	**1,460**	6,818	2,125	**1,401**	6,816	2,124
– related parties	**1,324**	3,751	1,992	**1,153**	3,517	1,862
Accrued operating expenses	**31,275**	28,979	28,526	**28,902**	27,490	26,358
Accrued retention sum	**13,256**	11,293	10,521	**10,291**	11,293	10,521
Accrued development cost	**14,921**	16,243	25,026	**12,200**	16,243	24,963
Tenancy related deposits	**27,975**	22,966	30,534	**26,140**	22,543	29,230
Rental received/billed in advance	**2,667**	4,563	2,226	**824**	2,754	468
Net GST payable	**4,146**	2,070	1,964	**3,691**	1,838	1,719
Interest payable	**5,889**	5,512	4,892	**4,606**	3,995	3,375
Interest payable to a subsidiary	**–**	–	–	**1,283**	1,517	1,517
Other payables	**301**	913	939	**303**	909	762
Withholding tax payable	**1,436**	–	–	**1,436**	–	–
Amount due to a subsidiary	**–**	–	–	**68**		
	104,650	103,108	108,745	**92,298**	98,915	102,899
Non-current						
Tenancy related deposits	**54,827**	51,403	46,143	**51,807**	50,765	45,723
	159,477	154,511	154,888	**144,105**	149,680	148,622

The non-trade amount due to a subsidiary is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

20. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Current						
Borrowings						
Bank loans	**75,000**	60,000	115,000	**75,000**	60,000	115,000
Transaction cost to be amortised	**(18)**	(15)	(14)	**(18)**	(15)	(14)
	74,982	59,985	114,986	**74,982**	59,985	114,986
Medium term note	**–**	125,000	–	–	–	–
Transaction cost to be amortised	**–**	(58)	–	–	–	–
	–	124,942	–	–	–	–
	74,982	184,927	114,986	**74,982**	59,985	114,986
Loan from a subsidiary						
Loan from a subsidiary	**–**	–	–	**–**	125,000	–
Transaction cost to be amortised	**–**	–	–	**–**	(58)	–
	–	–	–	**–**	124,942	–
	74,982	184,927	114,986	**74,982**	184,927	114,986
Non-current						
Borrowings						
Bank loans	**918,171**	754,838	587,880	**918,171**	754,838	587,880
Transaction cost to be amortised	**(1,501)**	(1,075)	(677)	**(1,501)**	(1,075)	(677)
	916,670	753,763	587,203	**916,670**	753,763	587,203
Medium term notes	**405,000**	280,000	405,000	–	–	–
Change in fair value of hedged item (Note 7)	**921**	(65)	(65)	–	–	–
Transaction cost to be amortised	**(859)**	(508)	(713)	–	–	–
	405,062	279,427	404,222	–	–	–
	1,321,732	1,033,190	991,425	**916,670**	753,763	587,203
Loans from a subsidiary						
Loans from a subsidiary	**–**	–	–	**405,000**	280,000	405,000
Change in fair value of hedged item (Note 7)	**–**	–	–	**921**	(65)	(65)
Transaction cost to be amortised	**–**	–	–	**(859)**	(508)	(713)
	–	–	–	**405,062**	279,427	404,222
	1,321,732	1,033,190	991,425	**1,321,732**	1,033,190	991,425
	1,396,714	1,218,117	1,106,411	**1,396,714**	1,218,117	1,106,411

The above loans and notes are unsecured and, except for loans from a subsidiary, are subject to negative pledge on certain investment properties.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(a) Maturity of borrowings

The current bank loans mature within 6 months (31 March 2018: 6 months; 1 April 2017: 1 to 6 months) from the end of the financial year. There is no current medium term note and loan from subsidiary as at 31 March 2019. Current medium term note and loan from subsidiary mature in 2019 as at 31 March 2018 (1 April 2017: nil)

The non-current bank loans, medium term notes and loans from a subsidiary mature between 2020 and 2029 (31 March 2018: between 2019 and 2026; 1 April 2017: between 2018 and 2026).

(b) Weighted average interest rates

The weighted average all-in interest rates of total borrowings, including interest rate swaps as at the reporting date were as follows:

	Group			MIT		
	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
Bank loans (current)	**2.87%**	3.01%	2.07%	**2.87%**	3.01%	2.07%
Bank loans (non-current)	**2.87%**	2.85%	2.74%	**2.87%**	2.85%	2.74%
Medium term notes (current)	**–**	3.75%	–	**–**	–	–
Medium term notes (non-current)	**3.36%**	3.08%	3.26%	**–**	–	–
Loans from a subsidiary (current)	**–**	–	–	**–**	3.75%	–
Loans from a subsidiary (non-current)	**–**	–	–	**3.36%**	3.08%	3.26%

(c) Medium term notes

In March 2012, the Group established a $1,000,000,000 Multicurrency Medium Term Note Programme ("MTN Programme"), via a subsidiary, Mapletree Industrial Trust Treasury Company Pte. Ltd ("MITTC"). Under the MTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series in Singapore Dollars or any other currency ("MTN").

In September 2018, the Group established a $2,000,000,000 Euro Medium Term Securities Programme ("EMTN Programme"), via a subsidiary, MITTC. Under the EMTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes or perpetual securities in series or tranches in Singapore Dollars or any other currency ("EMTN").

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN and EMTN Programmes.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(c) Medium term notes (continued)

The MTN and EMTN shall constitute direct, unconditional, unsecured and unsubordinated obligations of MITTC ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of MITTC. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MIT.

Total notes outstanding under the MTN and EMTN Programme as at the reporting date were as follows:

Maturity date	Interest rate per annum	Frequency of interest payment	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
8 March 2019	3.75%	semi-annually	–	125,000	125,000
7 September 2022	3.65%	semi-annually	45,000	45,000	45,000
11 May 2023	3.02%	semi-annually	75,000	75,000	75,000
28 March 2024	3.16%	semi-annually	100,000	100,000	100,000
2 March 2026	3.79%	semi-annually	60,000	60,000	60,000
26 March 2029	3.58%	semi-annually	125,000	–	–
			405,000	405,000	405,000

(d) Loans from a subsidiary

MITTC has on-lent the proceeds from the issuance of the MTN and EMTN to MIT, who has in turn used these proceeds to refinance its borrowings.

These loans are unsecured and repayable in full, consisting of:

Maturity date	Interest rate per annum	Frequency of interest payment	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
8 March 2019	3.75%	semi-annually	–	125,000	125,000
7 September 2022	3.65%	semi-annually	45,000	45,000	45,000
11 May 2023	3.02%	semi-annually	75,000	75,000	75,000
28 March 2024	3.16%	semi-annually	100,000	100,000	100,000
2 March 2026	3.79%	semi-annually	60,000	60,000	60,000
26 March 2029	3.58%	semi-annually	125,000	–	–
			405,000	405,000	405,000

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(e) Carrying amount and fair value of non-current borrowings

The carrying amounts of the borrowings approximate their fair values, except for the following fixed-rate non-current borrowings:

	Carrying amounts			Fair values		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Group						
Bank loans	**100,000**	100,000	100,000	**99,257**	98,381	100,054
Medium term notes	**405,000**	280,000	405,000	**410,820**	283,285	414,481
MIT						
Bank loans	**100,000**	100,000	100,000	**99,257**	98,381	100,054
Loans from a subsidiary	**405,000**	280,000	405,000	**410,820**	283,285	414,481

The fair values above are determined from the cash flow analysis, discounted at the following market borrowing rates of an equivalent instrument at the reporting date at which the Manager expects to be available to the Group:

	Group			MIT		
	31 March 2019	31 March 2018	1 April 2017	**31 March 2019**	31 March 2018	1 April 2017
Bank loans	**3.0%**	3.2%	3.2%	**3.0%**	3.2%	3.2%
Medium term notes	**3.0%**	3.1%	2.7%	**–**	–	–
Loans from a subsidiary	**–**	–	–	**3.0%**	3.1%	2.7%

The fair values are within Level 2 of the fair value hierarchy.

(f) Interest rate risks

The exposure of the borrowings of the Group and MIT to interest rate changes and the contractual repricing dates at the reporting dates after taking into account interest rate swaps as follows:

	Group and MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
6 months or less	**298,637**	181,631	277,880

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

21. DERIVATIVE FINANCIAL INSTRUMENTS

		Group and MIT		
	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
31 March 2019				
Fair value hedge				
– Interest rate swap	**2023**	**75,000**	**921**	**–**
Cash flow hedges				
– Interest rate swaps	**2019 – 2026**	**723,779**	**302**	**2,811**
– Currency forwards	**2019 – 2022**	**18,627**	**33**	**296**
Total		**817,406**	**1,256**	**3,107**
Less: Current portion			**(114)**	**(238)**
Non-current portion			**1,142**	**2,869**
31 March 2018				
Fair value hedge				
– Interest rate swap	2023	75,000	–	65
Cash flow hedges				
– Interest rate swaps	2018 – 2021	608,207	1,375	1,523
– Currency forwards	2018 – 2019	2,618	14	–
Total		685,825	1,389	1,588
Less: Current portion			(14)	(242)
Non-current portion			1,375	1,346
1 April 2017				
Fair value hedge	2023	75,000	–	65
– Interest rate swap				
Cash flow hedges				
– Interest rate swaps	2018 – 2021	400,000	–	3,908
Total		475,000	–	3,973
Less: Current portion			–	–
Non-current portion			–	3,973

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedging instruments used in Group's hedging strategy in FY18/19:

	Contractual notional amount 31 Mar 2019 $'000	Carrying amount Assets/ (Liabilities) 31 Mar 2019 $'000	Carrying amount Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness* Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness* Hedged item $'000	Weighted average hedged rate	Maturity date
<u>Group and MIT</u>							
Fair value hedge							
Interest rate risk							
– Interest rate swap to hedge fixed rate borrowing	75,000	921	Derivative financial instruments	986	(986)	3.02%	2023
Cash flow hedges							
Interest rate risk							
– Interest rate swaps to hedge floating rate borrowings	723,779	(2,509)	Derivative financial instruments	(2,361)	2,361	SGD: 1.97% USD: 2.29%	2019 –2026
Currency risk							
– Currency forwards to hedge quarterly dividend income receivable in foreign currency	18,627	(263)	Derivative financial instruments	(277)	277	SGD: 1.32 USD: 1.00	2019 – 2022
Net investment hedge							
– Borrowings to hedge net investments in foreign operations	–	(163,168)	Borrowings	(4,540)	4,540	SGD:1.36 USD: 1.00	2021 -2022

* There are no hedge ineffectiveness and costs of hedging recognised in profit and loss in FY18/19.

Effect of fair value hedge on hedged items in FY18/19 are as follows:

	Carrying amount of assets/ (liabilities) $'000	Financial statement line items that includes hedged items	Accumulated amount of fair value adjustments $'000
<u>Group and MIT</u>			
Fair value hedge			
Interest rate risk			
– Interest rate swap to hedge fixed rate borrowings	75,921	Borrowings	921

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AS AT 31 MARCH 2019

22. HEDGING RESERVE

Movements in hedging reserve by risk category:

	31 March 2019			31 March 2018
	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000	Total $'000
Group				
Beginning of financial year	**379**	**14**	**393**	(3,908)
Fair value losses	**(3,662)**	**(277)**	**(3,939)**	(718)
Cash flow hedges realised and transferred to borrowing cost	**1,300**	**–**	**1,300**	4,493
Share of hedging reserve of joint venture	**(3,094)**	**–**	**(3,094)**	526
End of financial year	**(5,077)**	**(263)**	**(5,340)**	393
MIT				
Beginning of financial year	**(147)**	**14**	**(133)**	(3,908)
Fair value losses	**(3,662)**	**(277)**	**(3,939)**	(718)
Cash flow hedges realised and transferred to borrowing cost	**1,300**	**–**	**1,300**	4,493
End of financial year	**(2,509)**	**(263)**	**(2,772)**	(133)

23. UNITS IN ISSUE

	Group and MIT	
	31 March 2019	31 March 2018
Beginning of financial year	**1,885,217,601**	1,802,160,168
Creation of new units arising from:		
Settlement of manager's management fees [Note 23(a)]	**1,609,789**	1,089,433
Settlement of manager's acquisition fees [Note 23(b)]	**1,684,131**	–
Private placement [Note 23(c)]	**103,360,000**	81,968,000
DRP [Note 23(d)]	**29,239,867**	–
End of the financial year	**2,021,111,388**	1,885,217,601

During the financial year, MIT issued the following units:

(a) 1,609,789 (31 March 2018: 1,089,433; 1 April 2017: 1,228,669) new units at the issue prices ranging from $1.8978 to $2.0159 (31 March 2018: $1.7406 to $2.0365 and 1 April 2017: $1.5938 to $1.7472) per unit, as part payment of the base fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for a unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the management fees accrues.

(b) 1,684,131 (31 March 2018 and 1 April 2017: nil) new units at the issue prices of $1.9941 and $2.0079 (31 March 2018 and 1 April 2017: nil) per unit, as payment of the acquisition fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for a unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the fees accrues.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

23. UNITS IN ISSUE (CONTINUED)

(c) 103,360,000 (31 March 2018: 81,968,000; 1 April 2017: nil) new units at $1.945 (31 March 2018: $1.900; 1 April 2017: nil) each pursuant to the private placement exercise.

(d) 29,239,867 (31 March 2018 and 1 April 2017: nil) new units at the issue prices range from $1.8612 to $1.9434 (31 March 2018 and 1 April 2017: nil) per unit were issued pursuant to the DRP.

Each unit in MIT represents an undivided interest in MIT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MIT by receiving a share of all net cash proceeds derived from the realisation of the assets of MIT less any liabilities, in accordance with their proportionate interests in MIT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MIT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the issued units of MIT) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MIT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MIT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MIT exceed its assets.

24. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements, excluding those relating to investment in a joint venture (Note 18), are as follows:

	Group			**MIT**		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Capital expenditure contracted on investment properties and investment property under development	**37,899**	63,284	113,422	**37,264**	62,108	113,156

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24. COMMITMENTS (CONTINUED)

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

The Group and MIT lease land from non-related parties under non-cancellable operating lease agreements. The future minimum lease payables under such non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Not later than one year	**2,464**	2,447	2,512	**1,017**	1,025	1,036
Between one and five years	**9,434**	9,675	9,570	**4,002**	4,003	4,071
Later than five years	**36,143**	37,981	34,433	**23,209**	24,268	25,557
	48,041	50,103	46,515	**28,228**	29,296	30,664

The operating leases are subjected to revision of land rents at periodic intervals. For the purpose of the above disclosure, the prevailing land rent rates are used.

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

The Group and MIT lease out investment properties to related and non-related parties under non-cancellable operating leases. The future minimum lease receivables under such non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are analysed as follows:

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Not later than one year	**359,931**	325,486	308,264	**323,268**	308,622	292,356
Between one and five years	**716,902**	642,268	572,176	**607,326**	574,756	520,673
Later than five years	**561,632**	442,879	457,082	**524,223**	391,031	418,062
	1,638,465	1,410,633	1,337,522	**1,454,817**	1,274,409	1,231,091

25. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards and interest rate swaps to hedge certain financial risk exposures.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as written policies covering specific areas, such as currency 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.

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Manager's investment strategy includes investing in real-estate related assets used primarily as data centres worldwide beyond Singapore. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts currency risk management strategies that may include:

- The use of foreign currency denominated borrowings to match the currency of the asset management as a natural currency hedge. Borrowings designated and qualified as hedges of net investments in the Group's joint venture have a carrying amount of $163,168,358 as at 31 March 2019 (31 March 2018: $158,628,685; 1 April 2017: $nil). The fair values of the borrowings approximate their carrying values except for the fixed-rate non-current borrowings disclosed in Note 20(e).

- Entering into currency forwards to hedge the foreign currency income to be received from the offshore assets, back into Singapore Dollars.

The Group's main currency exposure based on the information provided to key management is as follows (SGD equivalent):

Group and MIT

	31 March 2019 US$'000	31 March 2018 US$'000
Financial assets		
Cash and cash equivalents	**520**	9
Dividend receivable from joint venture	**3,804**	3,234
	4,324	3,243
Financial liabilities		
Borrowings	**(163,171)**	(159,393)
Interest payable	**(340)**	(332)
	(163,511)	(159,725)
Net financial liabilities	**(159,187)**	(156,482)
Add: Non-financial assets		
Investment in a joint venture	**189,968**	177,025
Net assets	**30,781**	20,543
Less: Notional amount of currency forwards	**(18,627)**	(2,618)
Currency profile including non- financial assets and liabilities	**12,154**	17,925
Currency exposure of net financial assets less borrowings designated as net investment hedge	**3,981**	2,147

The Group was not exposed to currency risk as at 1 April 2017 as the financial assets and liabilities were denominated in SGD.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group and MIT's main foreign currency exposure is in USD. As at 31 March 2019, if the USD increase/decrease by 5% against SGD, with all other variables including tax being constant, the Group and MIT's total profit would have been lower/higher by $199,000 (31 March 2018: $107,350) and the Group's other comprehensive income would have been lower/higher by $127,000 (31 March 2018: $7,300).

(ii) Cash flow and fair value interest rate risks

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 borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved using fixed rate borrowings and interest rate swaps.

The Group enters into interest rate swaps with the same critical terms as 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 items matched during the year, the economic relationship was 100% effective.

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 may occur due to changes in the critical terms of either the interest rate swaps or the borrowings.

The Group and MIT's borrowings and loan to one of its subsidiaries at variable rates on which effective hedges have not been entered into are denominated in SGD. As at 31 March 2019, if the SGD interest rates increase/decrease by 0.5% (31 March 2018 and 1 April 2017: 0.5%) with all other variables including tax rate being held constant, the Group's total profit would have been lower/higher by $1,493,000 (31 March 2018: $908,000; 1 April 2017: $1,389,000) and the hedging reserve attributable to Unitholders would have been higher/lower by $6,042,000 (31 March 2018: $5,017,000; 1 April 2017: $5,307,000).

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing with customers of appropriate credit history and obtaining sufficient security to mitigate credit risk.

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

	Group and MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
Corporate guarantees provided for borrowings of joint venture	**244,102**	238,445	–

Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables 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 customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. 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.

There is no material impact on the provision for impairment of the above financial assets.

The Manager monitors the outstanding balances of the tenants by ageing profile on an ongoing basis. There were no significant concentration credit risk as at 31 March 2019, 31 March 2018 and 1 April 2017. Concentrations of credit risk relating to trade receivables is limited to the Group's many and varied tenants. The tenants are engaged in diversified business and are of acceptable credit rating.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables (continued)

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

	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
Group					
Trade receivables	928	514	160	253	1,855
Loss allowance	–	–	–	–	–
	928	514	160	253	1,855
MIT					
Trade receivables	710	423	139	240	1,512
Loss allowance	–	–	–	–	–
	710	423	139	240	1,512

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

Previous accounting policy for impairment of trade receivables

The Group's and MIT's credit risk exposure in relation to trade receivables under SFRS 39 as at 31 March 2018 and 1 April 2017 are set out in the provision matrix as follows:

31 March 2018	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
Group					
Trade receivables					
Gross carrying amount:					
– Not past due	–	–	–	–	–
– Past due but not impaired	699	352	225	85	1,361
– Past due and impaired	–	–	–	–	–
Net carrying amount	699	352	225	85	1,361

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables (continued)

31 March 2018	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
<u>MIT</u>					
Trade receivables					
Gross carrying amount:					
– Not past due	–	–	–	–	–
– Past due but not impaired	688	336	223	84	1,331
– Past due and impaired	–	–	–	–	–
Net carrying amount	688	336	223	84	1,331

1 April 2017	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
<u>Group</u>					
Trade receivables					
Gross carrying amount:					
– Not past due	–	–	–	–	–
– Past due but not impaired	842	321	63	45	1,271
– Past due and impaired	–	–	–	–	–
Net carrying amount	842	321	63	45	1,271

1 April 2017	Within 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	More than 90 days $'000	Total $'000
<u>MIT</u>					
Trade receivables					
Gross carrying amount:					
– Not past due	–	–	–	–	–
– Past due but not impaired	576	210	57	32	875
– Past due and impaired	–	–	–	–	–
Net carrying amount	576	210	57	32	875

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Group and MIT adopt prudent liquidity risk management by maintaining sufficient cash on demand and banking facilities to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and MIT based on contractual undiscounted cash flows prospectively for the next 5 years. Where it relates to a variable amount payable, the amount is determined by taking reference to the last contracted rate.

<u>Group</u>

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2019			
Trade and other payables	**90,512**	**50,809**	**4,017**
Borrowings	**75,000**	**818,171**	**505,000**
Accrued interest and interest payable	**47,604**	**114,400**	**38,277**
	213,116	**983,380**	**547,294**
At 31 March 2018			
Trade and other payables	90,963	50,502	901
Borrowings	185,000	799,838	235,000
Accrued interest and interest payable	37,174	71,125	10,066
	313,137	921,465	245,967
At 1 April 2017			
Trade and other payables	101,627	45,604	539
Borrowings	115,000	712,880	280,000
Accrued interest and interest payable	31,469	67,442	18,489
	248,096	825,926	299,028

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

MIT

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2019			
Trade and other payables	**80,458**	**47,795**	**4,012**
Borrowings	**75,000**	**598,171**	**320,000**
Loans from a subsidiary	**–**	**220,000**	**185,000**
Accrued interest and interest payable	**47,604**	**114,400**	**38,277**
	203,062	**980,366**	**547,289**
At 31 March 2018			
Trade and other payables	88,812	49,863	901
Borrowings	60,000	754,838	–
Loans from a subsidiary	125,000	45,000	235,000
Accrued interest and interest payable	37,174	71,125	10,066
	310,986	920,826	245,967
At 1 April 2017			
Trade and other payables	97,539	45,322	401
Borrowings	115,000	587,880	–
Loans from a subsidiary	–	125,000	280,000
Accrued interest and interest payable	31,469	67,442	18,489
	244,008	825,644	298,890

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's and MIT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	Group and MIT		
	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2019			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net receipts/(payments)	**712**	**439**	**(90)**
Gross-settled currency forwards			
– Receipts	**8,233**	**10,394**	**–**
– Payments	**(8,476)**	**(10,632)**	**–**
	469	**201**	**(90)**
At 31 March 2018			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net receipts/(payments)	(3,697)	(1,793)	84
Gross-settled currency forwards			
– Receipts	2,358	260	–
– Payments	(2,373)	(264)	–
	(3,712)	(1,797)	84
At 1 April 2017			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net receipts/(payments)	(3,776)	(4,481)	943

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund future acquisitions and asset enhancement works. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of its Deposited Property.

The Group has an aggregate leverage ratio of 33.8% (31 March 2018: 33.1%; 1 April 2017: 29.2%) at the reporting date.

In accordance with Property Funds Appendix, the aggregate leverage ratio includes MIT's proportionate share of its joint venture's borrowings and deposited property values.

The Group and MIT are in compliance with the borrowing limit requirements imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2019 and 31 March 2018.

(e) Fair value measurements

The assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy are presented as follow:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

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

Fair value measurement disclosure of other assets that are recognised or measured at fair value can be found at Note 14.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

NOTES TO THE FINANCIAL STATEMENTS

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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The fair value of the derivative financial instruments are presented below:

	Group and MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000
<u>**Level 2**</u>			
Assets			
Derivative financial instruments			
- Interest rate swaps	**1,223**	1,375	–
- Currency forwards	**33**	14	–
	1,256	1,389	–
Liabilities			
Derivative financial instruments			
- Interest rate swaps	**2,811**	1,588	3,973
- Currency forwards	**296**	–	–
	3,107	1,588	3,973

The carrying amount of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying value of borrowings approximate its fair value except for fixed rate non-current borrowings as disclosed in Note 20(e).

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 21 except for the following:

	Group			MIT		
	31 March 2019 $'000	31 March 2018 $'000	1 April 2017 $'000	**31 March 2019 $'000**	31 March 2018 $'000	1 April 2017 $'000
Financial assets at amortised cost	**73,658**	–	–	**212,344**	–	–
Loans and receivables	**–**	61,837	48,263	**–**	58,072	43,486
Financial liabilities at amortised cost	**1,549,378**	1,365,995	1,259,073	**1,536,304**	1,363,205	1,254,565

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

26. IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes under SFRS(I) 10 *Consolidated Financial Statements*, the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd. The immediate, intermediate and ultimate holding companies are Mapletree Dextra Pte Ltd, Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The immediate, intermediate and ultimate holding companies are incorporated in Singapore.

27. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place at terms agreed between the parties as follows:

	Group		MIT	
	FY18/19 $'000	FY17/18 $'000	**FY18/19 $'000**	FY17/18 $'000
Acquisition fees paid/payable to the Manager	**3,363**	4,040	**3,363**	4,040
Divestment fees paid/payable to the Manager	**–**	88	**–**	–
Property and lease management fees paid/payable (including reimbursable expenses) to the Property Manager	**16,542**	15,736	**15,601**	14,902
Marketing commission paid/payable to the Property Manager	**6,327**	5,821	**6,305**	5,278
Development management fees paid/payable to the Manager	**581**	2,935	**581**	2,935
Project management fees paid/payable to the Property Manager	**346**	1,643	**346**	1,643
Interest expense and financing fees paid/payable to a related party	**6,060**	5,735	**6,060**	5,735
Other products and service fees paid/payable to related parties	**9,003**	8,037	**8,939**	7,974
Rental and other related income received/receivable from related parties	**15,951**	15,336	**2,905**	2,797
Subscription of MIT's units by a related party	**–**	9,500	**–**	9,500
Novation of option to purchase 7 Tai Seng Drive from a related party	**680**	–	**680**	–
Purchase of 7 Tai Seng Drive	**68,000**	–	**68,000**	–

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

28. FINANCIAL RATIOS

	Group	
	FY18/19	FY17/18
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fee	**1.19%**	1.19%
– excluding performance component of asset management fee	**0.82%**	0.81%
Portfolio Turnover Ratio[2]	**–**	–

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs and income tax expense.

[2] In accordance with the formulae stated in the CIS Code, the ratio reflects the number of times per year that a dollar of assets is reinvested. The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

29. SEGMENT INFORMATION

The operating segments have been determined based on the reports reviewed by the management in making strategic decisions.

The Manager considers the business from a business segment perspective; managing and monitoring the business based on property types.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income ("NPI"). Interest income and borrowing costs are not allocated to segments, as the treasury activities are centrally managed by the Group. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment.

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AS AT 31 MARCH 2019

29. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2019 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	**155,736**	**122,975**	**46,516**	**43,853**	**7,021**	**376,101**
Net property income	**118,505**	**97,698**	**31,403**	**35,055**	**5,109**	**287,770**
Interest income						**246**
Borrowing costs						**(40,108)**
Manager's management fees						**(30,893)**
Trustee's fees						**(581)**
Other trust expenses						**(2,001)**
Net foreign exchange loss						**(202)**
Net fair value gain/(loss) on investment properties and investment property under development	**(11,296)**	**34,628**	**2,181**	**5,784**	**(540)**	**30,757**
Share of joint venture		**26,138**				**26,138**
Profit for the year before income tax						**271,126**
Income tax expense						*****
Profit for the financial year						**271,126**
Segment assets						
-Investment properties	**1,578,000**	**1,546,700**	**581,000**	**473,000**	**75,500**	**4,254,200****
-Investment property under development	**–**	**82,100**	**–**	**–**	**–**	**82,100****
-Investment in a joint venture	**–**	**194,101**	**–**	**–**	**–**	**194,101**
-Trade receivables	**608**	**185**	**211**	**482**	**369**	**1,855**
						4,532,256
Unallocated assets						
-Cash and cash equivalents						**40,010**
-Other receivables						**31,632**
-Other current assets						**1,727**
-Derivative financial instruments						**1,256**
-Plant and equipment						**183**
Consolidated total assets						**4,607,064**
Segment liabilities	**39,485**	**18,065**	**14,895**	**11,508**	**1,551**	**85,504**
Unallocated liabilities						
-Trade and other payables						**73,973**
-Borrowings						**1,396,714**
-Derivative financial instruments						**3,107**
-Current income tax liabilities						**240**
Consolidated total liabilities						**1,559,538**

* Amount less than $1,000

** Include net fair value gain on properties of $30.8 million and additions of $397.2 million during the year.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

29. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2018 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	159,065	99,771	52,411	44,697	7,286	363,230
Net property income	122,232	77,247	37,101	35,975	5,048	277,603
Interest income						1,027
Borrowing costs						(34,055)
Manager's management fees						(29,209)
Trustee's fees						(546)
Other trust expenses						(1,322)
Net foreign exchange gain						18
Net fair value (loss)/gain on investment properties and investment properties under development	17,407	35,964	2,943	12,256	(3,100)	65,470
Share of joint venture	–	21,776	–	–	–	21,776
Loss on divestment of investment property	–	–	–	–	(200)	(200)
Profit before income tax						300,562
Income tax expense						(32)
Profit for the financial year						300,530
Segment assets						
-Investment properties	1,580,200	1,163,900	570,000	467,000	75,500	3,856,600*
-Investment properties under development	–	51,700	–	–	–	51,700*
-Investment in a joint venture	–	181,158	–	–	–	181,158
-Trade receivables	2,921	49	27	310	234	3,541
						4,092,999
Unallocated assets						
-Cash and cash equivalents						37,419
-Other receivables						20,857
-Other current assets						1,572
-Derivative financial instruments						1,389
-Plant and equipment						84
Consolidated total assets						4,154,320
Segment liabilities	42,214	13,421	10,527	11,073	1,709	78,944
Unallocated liabilities						
-Trade and other payables						75,567
-Borrowings						1,218,117
-Derivative financial instruments						1,588
-Current income tax liabilities						32
Consolidated total liabilities						1,374,248

* Include net fair value gain on properties of $65.5 million and additions of $111.8 million for the financial year ended 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2019

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2019 and which the Group has not early adopted:

(a) SFRS(I) 16 *Leases* (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 March 2019, the Group has non-cancellable operating lease commitments of $48,041,000 (Note 24(b)). The Group expects to recognise right-of-use assets and lease liabilities of approximately $19,157,000 on 1 April 2019. Overall net assets will be the same and net current liabilities will be $776,000 higher due to the presentation of a portion of the liability as a current liability. The Group does not expect any impact to the profit for the financial year for FY19/20 as a result of adopting the new rules. Operating cash flows will increase and financing cash flows will decrease by approximately $2,260,000 as repayment of the principal portion and interest payment of the lease liabilities will be classified as cash flows from financing activities.

The Group does not expect any significant impact on the financial statements for its activities as a lessor upon adoption of SFRS(I) 16. However, some additional disclosures will be required from next year.

(b) SFRS(I) INT 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019)

The Group does not expect additional tax liability to be recognised on the adoption of the interpretation on 1 April 2019.

31. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to the reporting date, the Manager announced a distribution of 3.08 cents per unit for the period from 1 January 2019 to 31 March 2019. The distribution declared included an advanced distribution of 1.71 cents per unit for the period from 1 January 2019 to 19 February 2019, which was paid on 26 March 2019.

32. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 22 April 2019.

FINANCIAL STATEMENTS

Report of the Trustee

For the financial year ended 31 March 2018

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in MIT. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Mapletree Industrial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 29 January 2008 (as amended) (the "Trust Deed") between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MIT and the Group during the financial year covered by these financial statements, set out on pages 128 to 197, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim
Director

Singapore, 23 April 2018

Statement by the Manager

For the financial year ended 31 March 2018

In the opinion of the directors of Mapletree Industrial Trust Management Ltd., the accompanying financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group"), as set out on pages 128 to 197, comprising the Statements of Financial Position and Portfolio Statement for MIT and the Group as at 31 March 2018, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds for MIT and the Group, the Consolidated Statement of Cash Flows for the Group and Notes to the Financial Statements for the year then ended are drawn up so as to present fairly, in all material respects, the financial position of MIT and of the Group as at 31 March 2018 and the total return, amount distributable and movements in Unitholders' funds of MIT and the Group and consolidated cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that MIT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Mapletree Industrial Trust Management Ltd.

Tham Kuo Wei
Director

Singapore, 23 April 2018

Independent Auditor's Report

To The Unitholders of Mapletree Industrial Trust
(Constituted under a Trust Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") and the Statement of Total Return, Statement of Financial Position, Distribution Statements, Statement of Movement in Unitholders' Funds and Portfolio Statement of MIT are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MIT and the consolidated portfolio holdings of the Group and portfolio holdings of MIT as at 31 March 2018 and the consolidated financial performance of the Group and the financial performance of MIT, the consolidated amount distributable of the Group and the amount distributable of MIT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MIT and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MIT and the Group comprise:

- the statements of total return of the Group and MIT for the financial year ended 31 March 2018;
- the statements of financial position of the Group and MIT as at 31 March 2018;
- the distribution statements of the Group and MIT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements of unitholders' funds for the Group and MIT for the financial year then ended;
- the portfolio statement for the Group and MIT for the financial year as at 31 March 2018; 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 audit 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.

Our Audit Approach

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

Independent Auditor's Report

To The Unitholders of Mapletree Industrial Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to Note 14 (Investment Properties and Investment Properties under Development).* As at 31 March 2018, the carrying value of the Group's investment properties of $3.9 billion accounted for 94.1% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 14 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuer engaged by the Group; • obtained an understanding of the techniques used by the external valuer in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuer for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuer; and • assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuer to be a member of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Independent Auditor's Report

To The Unitholders of Mapletree Industrial Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Other information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager (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 other sections of MIT's Annual Report 2017/2018 ("Other Sections"), which is 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 express any form of assurance conclusion thereon.

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager 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 the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's 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.

Independent Auditor's Report

To The Unitholders of Mapletree Industrial Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 the Manager.

- Conclude on the appropriateness of the Manager'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 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 Manager 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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 23 April 2018

Statements of Total Return

For the financial year ended 31 March 2018

		Group		MIT	
	Note	**FY17/18 $'000**	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Gross revenue	3	**363,230**	340,565	**343,826**	321,380
Property operating expenses	4	**(85,627)**	(83,735)	**(79,858)**	(77,944)
Net property income		**277,603**	256,830	**263,968**	243,436
Interest income	5	**1,027**	390	**994**	359
Investment income	6	**–**	–	**19,332**	11,765
Borrowing costs	7	**(34,055)**	(27,325)	**(34,055)**	(27,325)
Manager's management fees					
– Base fees		**(19,215)**	(18,453)	**(18,248)**	(17,443)
– Performance fees		**(9,994)**	(9,246)	**(9,503)**	(8,764)
Trustee's fees		**(546)**	(521)	**(546)**	(521)
Other trust expenses	8	**(1,322)**	(1,340)	**(1,295)**	(1,313)
Net foreign exchange gain		**18**	–	**3,415**	–
Net income		**213,516**	200,335	**224,062**	200,194
Net fair value gain on investment properties and investment properties under development	14(a)	**65,470**	70,236	**67,757**	66,236
Share of joint venture	18				
– Net profit after tax		**3,900**	–	**–**	–
– Net fair value gain on investment properties		**17,876**	–	**–**	–
		21,776	–	**–**	–
Loss on divestment of investment property		**(200)**	–	**–**	–
Total return for the financial year before income tax		**300,562**	270,571	**291,819**	266,430
Income tax expense	9(a)	**(32)**	(*)	**(32)**	–
Total return for the financial year after income tax before distribution		**300,530**	270,571	**291,787**	266,430
Earnings per unit					
– Basic and diluted (cents)	10	**16.36**	15.02		

* Amount less than $1,000

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

Statements of Financial Position

As at 31 March 2018

		Group		MIT	
	Note	**31 March 2018 $'000**	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
ASSETS					
Current assets					
Cash and cash equivalents	11	**37,419**	37,985	**30,810**	31,136
Trade and other receivables	12	**24,398**	10,221	**27,244**	12,297
Other current assets	13	**1,572**	1,202	**911**	463
Derivative financial instruments	21	**14**	–	**14**	–
		63,403	49,408	**58,979**	43,896
Non-current assets					
Investment properties	14(a)	**3,856,600**	3,530,850	**3,678,700**	3,333,000
Investment properties under development	14(a)	**51,700**	217,800	**51,700**	217,800
Plant and equipment	15	**84**	3	**84**	3
Investments in:					
– subsidiaries	16	**–**	–	*****	*
– joint venture	18	**181,158**	–	**166,158**	–
Loan to a subsidiary	17	**–**	–	**166,594**	179,794
Derivative financial instruments	21	**1,375**	–	**1,375**	–
		4,090,917	3,748,653	**4,064,611**	3,730,597
Total assets		**4,154,320**	3,798,061	**4,123,590**	3,774,493
LIABILITIES					
Current liabilities					
Trade and other payables	19	**103,108**	108,745	**98,915**	102,899
Borrowings	20	**184,927**	114,986	**59,985**	114,986
Loans from a subsidiary	20	**–**	–	**124,942**	–
Derivative financial instruments	21	**242**	–	**242**	–
Current income tax liabilities	9(b)	**32**	*	**32**	–
		288,309	223,731	**284,116**	217,885
Non-current liabilities					
Other payables	19	**51,403**	46,143	**50,765**	45,723
Borrowings	20	**1,033,190**	991,425	**753,763**	587,203
Loans from a subsidiary	20	**–**	–	**279,427**	404,222
Derivative financial instruments	21	**1,346**	3,973	**1,346**	3,973
		1,085,939	1,041,541	**1,085,301**	1,041,121
Total liabilities		**1,374,248**	1,265,272	**1,369,417**	1,259,006
Net assets attributable to Unitholders		**2,780,072**	2,532,789	**2,754,173**	2,515,487
Represented by:					
Unitholders' funds		**2,780,072**	2,532,789	**2,754,173**	2,515,487
UNITS IN ISSUE ('000)	22	**1,885,218**	1,802,160	**1,885,218**	1,802,160
NET ASSET VALUE PER UNIT ($)		**1.47**	1.41	**1.46**	1.40

* Amount less than $1,000

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

Distribution Statements

For the financial year ended 31 March 2018

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Amount available for distribution to Unitholders at beginning of the year	**52,403**	51,361	**52,403**	51,361
Total return for the year	**300,530**	270,571	**291,787**	266,430
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(87,916)**	(65,611)	**(75,939)**	(61,470)
Distribution declared by joint venture	**3,234**	–	**–**	–
Amount available for distribution	**215,848**	204,960	**215,848**	204,960
Distribution to Unitholders:				
Distribution of 2.81 cents per unit for the period from 01 January 2016 to 31 March 2016	**–**	(50,606)	**–**	(50,606)
Distribution of 2.85 cents per unit for the period from 01 April 2016 to 30 June 2016	**–**	(51,336)	**–**	(51,336)
Distribution of 2.83 cents per unit for the period from 01 July 2016 to 30 September 2016	**–**	(50,984)	**–**	(50,984)
Distribution of 2.83 cents per unit for the period from 01 October 2016 to 31 December 2016	**–**	(50,992)	**–**	(50,992)
Distribution of 2.88 cents per unit for the period from 01 January 2017 to 31 March 2017	**(51,902)**	–	**(51,902)**	–
Distribution of 2.92 cents per unit for the period from 01 April 2017 to 30 June 2017	**(52,631)**	–	**(52,631)**	–
Distribution of 3.00 cents per unit for the period from 01 July 2017 to 30 September 2017	**(54,082)**	–	**(54,082)**	–
Distribution of 0.99 cent per unit for the period from 01 October 2017 to 01 November 2017	**(17,847)**	–	**(17,847)**	–
Distribution of 1.89 cents per unit for the period from 02 November 2017 to 31 December 2017	**(35,626)**	–	**(35,626)**	–
Total Unitholders' distribution (including capital distribution) (Note B)	**(212,088)**	(203,918)	**(212,088)**	(203,918)
Amount available for distribution to Unitholders at end of the year	**56,163**	52,403	**56,163**	52,403

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

Distribution Statements

For the financial year ended 31 March 2018

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Note A:				
Adjustment for net effect of non-tax deductible/(chargeable) items and other adjustments comprise:				
– Trustee's fees	**546**	521	**546**	521
– Financing related costs	**1,537**	1,252	**1,537**	1,252
– Net fair value gain on investment properties and investment properties under development	**(65,470)**	(70,236)	**(67,757)**	(66,236)
– Management fees paid/payable in units	**2,309**	2,031	**2,309**	2,031
– Expense capital items	**917**	1,674	**805**	1,254
– Adjustments from rental incentives	**(7,613)**	(998)	**(7,646)**	(707)
– Fund raising cost	**32**	–	**32**	–
– Loss on divestment of investment property	**200**	–	**–**	–
– Share of joint venture	**(21,776)**	–	**–**	–
– Realised revaluation gain from divestment of investment property	**–**	–	**(3,427)**	–
– Net foreign exchange gain	**(18)**	–	**(3,415)**	–
– Other non-tax deductible items and adjustments	**1,420**	145	**1,077**	415
	(87,916)	(65,611)	**(75,939)**	(61,470)
Note B:				
Total Unitholders' distribution				
– Taxable income distribution	**(210,097)**	(203,018)	**(210,097)**	(203,018)
– Capital distribution	**(1,991)**	(900)	**(1,991)**	(900)
	(212,088)	(203,918)	**(212,088)**	(203,918)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	Group FY17/18 $'000	FY16/17 $'000
Cash flows from operating activities			
Total return for the financial year after income tax before distribution		**300,530**	270,571
Adjustments for:			
– Income tax expense	9(a)	**32**	*
– Writeback of trade receivables	24(b)	*****	(12)
– Net fair value gain on investment properties and investment properties under development	14(a)	**(65,470)**	(70,236)
– Interest income		**(1,027)**	(390)
– Borrowing costs	7	**34,055**	27,325
– Manager's management fees paid/payable in units		**2,309**	2,031
– Rental incentives		**(7,613)**	(998)
– Depreciation	15	**10**	1
– Loss on divestment of investment property		**200**	–
– Share of joint venture		**(21,776)**	–
– Unrealised translation gain		**(16)**	–
Operating cash flows before working capital changes		**241,234**	228,292
Change in operating assets and liabilities			
– Trade and other receivables		**(3,472)**	23
– Trade and other payables		**6,730**	5,127
– Other current assets		**(106)**	211
Cash generated from operations		**244,386**	233,653
Interest received		**1,165**	393
Income tax paid	9(b)	**(*)**	(*)
Net cash provided by operating activities		**245,551**	234,046
Cash flows from investing activities			
Additions to investment properties		**(20,998)**	(23,255)
Additions to investment properties under development		**(97,513)**	(80,599)
Additions to plant and equipment		**(91)**	(2)
Proceeds from the divestment of investment property		**17,400**	–
Investment in a joint venture		**(166,158)**	–
Loan to a joint venture		**(242,392)**	–
Repayment of loan from a joint venture		**235,571**	–
Net cash used in investing activities		**(274,181)**	(103,856)
Cash flows from financing activities			
Repayment of bank loans		**(867,663)**	(172,362)
Payment of financing fees		**(1,942)**	(270)
Gross proceeds from bank loans		**989,858**	157,880
Net proceeds from issuance of new units		**153,189**	–
Gross proceeds from issuance of medium term notes		**–**	100,000
Distribution to Unitholders		**(212,088)**	(203,918)
Interest paid		**(33,290)**	(27,875)
Net cash generated from/(used in) financing activities		**28,064**	(146,545)
Net decrease in cash and cash equivalents		**(566)**	(16,355)
Cash and cash equivalents at beginning of financial year		**37,985**	54,340
Cash and cash equivalents at end of financial year	11	**37,419**	37,985

* Amount less than $1,000

Reconciliation of liabilities arising from financing activities

	1 April 2017 $'000	Principal and interest payments $'000	Non cash movements: Borrowing cost $'000	Non cash movements: Foreign exchange movement $'000	31 March 2018 $'000
Borrowings, interest payable and prepaid financing fees	1,111,199	86,963	35,337	(10,238)	**1,223,261**

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

Statements of Movements in Unitholders' Funds

For the financial year ended 31 March 2018

	Group		MIT	
	FY17/18	FY16/17	**FY17/18**	FY16/17
	$'000	$'000	**$'000**	$'000
OPERATIONS				
Balance at beginning of year	**852,646**	785,993	**835,344**	772,832
Total return for the year	**300,530**	270,571	**291,787**	266,430
Distributions	**(212,088)**	(203,918)	**(212,088)**	(203,918)
Balance at end of year	**941,088**	852,646	**915,043**	835,344
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of year	**1,684,051**	1,682,012	**1,684,051**	1,682,012
Issue of new units pursuant to the private placement	**155,740**	–	**155,740**	–
Manager's management fees paid in units	**2,023**	2,039	**2,023**	2,039
Issue expenses	**(2,551)**	–	**(2,551)**	–
Balance at end of year	**1,839,263**	1,684,051	**1,839,263**	1,684,051
HEDGING RESERVE				
Balance at beginning of year	**(3,908)**	(2,781)	**(3,908)**	(2,781)
Fair value losses	**(718)**	(3,674)	**(718)**	(3,674)
Cash flow hedges recognised as borrowing cost (Note 7)	**4,493**	2,547	**4,493**	2,547
Share of hedging reserve of joint venture	**526**	–	**–**	–
Balance at end of year	**393**	(3,908)	**(133)**	(3,908)
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of year	**–**	–	**–**	–
Currency translation differences arising from share of joint venture	**(672)**	–	**–**	–
Balance at end of year	**(672)**	–	**–**	–
Total Unitholders' funds at the end of the year	**2,780,072**	2,532,789	**2,754,173**	2,515,487

Hedging reserve is non-distributable.

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

Portfolio Statement

As at 31 March 2018

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT				
Flatted Factories				
Chai Chee Lane	26/08/2011	60 years	53 years	510, 512 & 514 Chai Chee Lane Singapore
Changi North	01/07/2008	60 years	50 years	11 Changi North Street 1 Singapore
Clementi West	01/07/2008	30 years	20 years	1 Clementi Loop Singapore
Kaki Bukit	01/07/2008	60 years	50 years	2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore
Kallang Basin 1	26/08/2011	20 years	13 years	5 & 7 Kallang Place Singapore
Kallang Basin 2	26/08/2011	20 years	13 years	9 & 11 Kallang Place Singapore
Kallang Basin 3	26/08/2011	30 years	23 years	16 Kallang Place Singapore
Kallang Basin 4[2]	01/07/2008	33 years	23 years	26, 26A, 28 & 30 Kallang Place Singapore
Kallang Basin 5	01/07/2008	33 years	23 years	19, 21 & 23 Kallang Avenue Singapore
Kallang Basin 6	01/07/2008	33 years	23 years	25 Kallang Avenue Singapore
Kampong Ampat	01/07/2008	60 years	50 years	171 Kampong Ampat Singapore
Kampong Ubi	26/08/2011	60 years	53 years	3014A, 3014B & 3015A Ubi Road 1 Singapore
Kolam Ayer 1	01/07/2008	43 years	33 years	8, 10 & 12 Lorong Bakar Batu Singapore
Kolam Ayer 2	01/07/2008	43 years	33 years	155, 155A & 161 Kallang Way Singapore

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

Gross revenue		Average occupancy rate		Latest valuation	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY17/18	FY16/17	**FY17/18**	FY16/17	date	**31/03/2018**	31/03/2017	**31/03/2018**	31/03/2017
$'000	$'000	**%**	%		**$'000**	$'000	**%**	%
12,275	12,563	**85.9**	89.5	31/03/2018	**151,000**	148,500	**5.4**	5.9
1,692	1,683	**85.1**	74.4	31/03/2018	**19,700**	19,100	**0.7**	0.8
4,693	4,809	**93.4**	98.0	31/03/2018	**37,200**	36,700	**1.3**	1.4
19,017	18,605	**93.6**	93.7	31/03/2018	**202,000**	201,500	**7.3**	8.0
2,880	2,989	**90.8**	96.9	31/03/2018	**18,000**	19,400	**0.7**	0.8
5,096	5,277	**89.0**	94.2	31/03/2018	**33,000**	36,000	**1.2**	1.4
7,642	8,114	**84.3**	89.9	31/03/2018	**78,000**	77,000	**2.8**	3.0
8,155	8,395	**89.6**	93.8	31/03/2018	**76,000**	74,400	**2.7**	2.9
6,247	6,304	**95.1**	96.7	31/03/2018	**56,400**	55,400	**2.0**	2.2
4,490	4,744	**87.7**	96.9	31/03/2018	**41,300**	41,000	**1.5**	1.6
11,145	10,702	**99.9**	99.6	31/03/2018	**109,000**	102,700	**3.9**	4.0
10,639	10,354	**93.5**	90.3	31/03/2018	**125,000**	122,900	**4.5**	4.8
7,477	7,503	**95.8**	97.9	31/03/2018	**75,000**	73,100	**2.7**	2.9
7,177	7,200	**88.5**	90.9	31/03/2018	**70,000**	68,000	**2.5**	2.7

Portfolio Statement

As at 31 March 2018

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT (continued)				
Flatted Factories (continued)				
Kolam Ayer 5	01/07/2008	43 years	33 years	1, 3 & 5 Kallang Sector Singapore
Loyang 1	01/07/2008	60 years	50 years	30 Loyang Way Singapore
Loyang 2	01/07/2008	60 years	50 years	2, 4 & 4A Loyang Lane Singapore
Redhill 1	01/07/2008	30 years	20 years	1001, 1001A & 1002 Jalan Bukit Merah Singapore
Redhill 2	01/07/2008	30 years	20 years	1003 & 3752 Bukit Merah Central Singapore
Tanglin Halt	01/07/2008	56 years	46 years	115A & 115B Commonwealth Drive Singapore
Tiong Bahru 1	01/07/2008	30 years	20 years	1090 Lower Delta Road Singapore
Tiong Bahru 2	01/07/2008	30 years	20 years	1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore
Toa Payoh North 2	01/07/2008	30 years	20 years	1004 Toa Payoh North Singapore
Toa Payoh North 3	01/07/2008	30 years	20 years	1008 & 1008A Toa Payoh North Singapore

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

Gross revenue		Average occupancy rate		Latest valuation	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY17/18	FY16/17	**FY17/18**	FY16/17	date	**31/03/2018**	31/03/2017	**31/03/2018**	31/03/2017
$'000	$'000	**%**	%		**$'000**	$'000	**%**	%
8,809	8,914	**89.8**	94.0	31/03/2018	**87,000**	85,000	**3.1**	3.4
6,079	6,284	**81.3**	87.3	31/03/2018	**65,700**	62,900	**2.4**	2.5
3,635	3,734	**80.1**	84.3	31/03/2018	**38,800**	37,700	**1.4**	1.5
6,699	6,736	**90.6**	92.1	31/03/2018	**63,400**	62,900	**2.3**	2.5
5,635	5,923	**87.1**	89.8	31/03/2018	**53,800**	53,000	**1.9**	2.1
4,282	4,397	**94.0**	97.8	31/03/2018	**47,000**	45,700	**1.7**	1.8
2,111	2,274	**81.3**	91.3	31/03/2018	**19,500**	19,000	**0.7**	0.7
7,394	7,797	**88.9**	97.1	31/03/2018	**66,700**	65,100	**2.4**	2.6
2,621	2,620	**95.3**	98.3	31/03/2018	**20,500**	20,500	**0.7**	0.8
3,175	3,274	**94.5**	99.3	31/03/2018	**26,200**	26,000	**0.9**	1.0

Portfolio Statement

As at 31 March 2018

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT (continued)				
Hi-Tech Buildings				
1 and 1A Depot Close[3]	01/07/2008	60 years	50 years	1 and 1A Depot Close Singapore
26A Ayer Rajah Crescent	27/01/2015[4]	30 years	25 years	26A Ayer Rajah Crescent Singapore
30A Kallang Place[2]	01/07/2008	33 years	23 years	30A Kallang Place Singapore
K&S Corporate Headquarters	04/10/2013[4]	30 + 28.5 years	53 years	23A Serangoon North Avenue 5 Singapore
Serangoon North	01/07/2008	60 years	50 years	6 Serangoon North Avenue 5 Singapore
Toa Payoh North 1	01/07/2008	30 years	20 years	970, 978, 988 & 998 Toa Payoh North Singapore
Woodlands Central	01/07/2008	60 years	50 years	33 & 35 Marsiling Industrial Estate Road 3 Singapore
Business Park Buildings				
The Signature	01/07/2008	60 years	50 years	51 Changi Business Park Central 2 Singapore
The Strategy	01/07/2008	60 years	50 years	2 International Business Park Singapore
The Synergy	01/07/2008	60 years	50 years	1 International Business Park Singapore

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

Gross revenue		Average occupancy rate		Latest valuation	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY17/18	FY16/17	**FY17/18**	FY16/17	**date**	**31/03/2018**	31/03/2017	**31/03/2018**	31/03/2017
$'000	$'000	**%**	%		**$'000**	$'000	**%**	%
29,640	5,101	**77.7**	68.1	31/03/2018	**384,000**	185,700	**13.8**	7.3
8,556	8,388	**100.0**	100.0	31/03/2018	**122,000**	121,800	**4.4**	4.8
32[2]	–	**–**	–	31/03/2018	**93,000**	–	**3.4**	–
7,628	7,462	**97.5**	94.5	31/03/2018	**61,000**	60,500	**2.2**	2.4
16,649	17,077	**87.7**	91.6	31/03/2018	**169,000**	165,900	**6.1**	6.6
13,656	13,451	**93.7**	97.4	31/03/2018	**111,000**	110,500	**4.0**	4.4
10,351	9,712	**91.8**	87.2	31/03/2018	**107,000**	99,300	**3.9**	3.9
13,634	13,366	**88.2**	77.2	31/03/2018	**149,000**	148,000	**5.4**	5.8
26,995	28,086	**82.1**	97.9	31/03/2018	**293,000**	291,700	**10.5**	11.5
11,782	12,033	**82.4**	83.5	31/03/2018	**128,000**	127,100	**4.6**	5.0

Portfolio Statement

As at 31 March 2018

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Stack-up/Ramp-up Buildings				
Woodlands Spectrum 1 and 2	01/07/2008	60 years	50 years	2 Woodlands Sector 1, 201, 203, 205, 207, 209 and 211 Woodlands Avenue 9 Singapore
Light Industrial Building				
2A Changi North Street 2	28/05/2014	30 + 30 years	43 years	2A Changi North Street 2 Singapore
Subtotal – Investment properties held under MIT				
Investment properties under development held under MIT				
Hi–Tech Buildings				
1A Depot Close[3]	01/07/2008	60 years	50 years	1A Depot Close Singapore
30A Kallang Place[2]	01/07/2008	33 years	23 years	30A Kallang Place Singapore
12 Sunview Drive[5]	–	30 years	29 years	12 Sunview Drive Singapore
Subtotal – Investment properties under development held under MIT				
Subtotal – MIT				
Investment properties held under Mapletree Singapore Industrial Trust ("MSIT")				
Hi-Tech Buildings				
19 Tai Seng Drive	21/10/2010	30 + 30 years	33 years	19 Tai Seng Drive Singapore
STT Tai Seng 1[6]	21/10/2010	30 + 30 years	51 years	35 Tai Seng Street Singapore

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

Gross revenue FY17/18 $'000	Gross revenue FY16/17 $'000	Average occupancy rate FY17/18 %	Average occupancy rate FY16/17 %	Latest valuation date	Valuation as at 31/03/2018 $'000	Valuation as at 31/03/2017 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %	Percentage of total net assets attributable to Unitholders as at 31/03/2017 %
44,697	44,389	**93.2**	93.6	31/03/2018	**467,000**	454,900	**16.8**	18.0
1,141	1,120	**100.0**	100.0	31/03/2018	**14,500**	14,100	**0.5**	0.6
343,826	321,380				**3,678,700**	3,333,000		
–	–	**–**	–	31/03/2018	**–**	186,000	**–**	7.3
–	–	**–**	–	31/03/2018	**–**	30,900	**–**	1.2
–	–	**–**	–	31/03/2018	**51,700**	900	**1.9**	**
–	–				**51,700**	217,800		
343,826	321,380				**3,730,400**	3,550,800		
2,026	1,702	**100.0**	100.0	31/03/2018	**21,200**	20,100	**0.8**	0.8
11,233	10,797	**100.0**	100.0	31/03/2018	**95,700**	95,650	**3.4**	3.8

Portfolio Statement

As at 31 March 2018

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Light Industrial Buildings				
19 Changi South Street 1	21/10/2010	30 + 30 years	39 years	19 Changi South Street 1 Singapore
26 Woodlands Loop	21/10/2010	30 + 30 years	37 years	26 Woodlands Loop Singapore
45 Ubi Road 1	21/10/2010	30 + 30 years	35 years	45 Ubi Road 1 Singapore
65 Tech Park Crescent[7]	21/10/2010	60 years	35 years	65 Tech Park Crescent Singapore
Subtotal – MSIT				

Gross revenue/investment properties and investment properties under development – Group[8]
Investment in a joint venture (Note 18)
Other assets and liabilities (net) – Group
Net assets attributable to Unitholders – Group

* Refers to the tenure of underlying land. Remaining term of lease includes option to renew the land leases.
** Amount less than 0.1%

1 A cluster consists of one or more individual buildings situated on the same land lot or adjoining land lots.
2 The development of a new 14-storey high specification building at 30A Kallang Place had obtained the Temporary Occupation Permit ("TOP") on 13 February 2018 and had been reclassified as an investment property. Gross revenue includes adjustments from rental incentives.
3 Telok Blangah Cluster was redeveloped as a build-to-suit ("BTS") facility for HP Singapore ("HP"), which has been renamed after its address as 1 and 1A Depot Close. 1 and 1A Depot Close had obtained the TOP on 21 October 2016 and 22 June 2017 respectively and had been reclassified as investment properties.
4 Refers to the TOP date.
5 It was previously known as Mukim 06 Lot 00869 CPT, which is under development as a six-storey BTS data centre in the West Region of Singapore.
6 It was previously known as Tata Communications Exchange and renamed as STT Tai Seng 1 following the novation of lease from Tata Communications International Pte. Ltd. to STT Tai Seng Pte. Ltd..
7 The property was divested on 20 July 2017.
8 Investment properties comprise a portfolio of industrial buildings that are leased to external customers.

The carrying amounts of the Singapore investment properties were based on independent valuations as at 31 March 2018. The valuations were undertaken by Knight Frank Pte Ltd ("Knight Frank"), an independent valuer. Knight Frank has appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the Income Capitalisation method, Discounted Cash Flow method, Residual Land Value method, and where applicable, the Direct Sale Comparison method as described in Note 14(d). It is the intention of the Group and MIT to hold the investment properties for the long term.

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

Gross revenue		Average occupancy rate		Latest valuation	Valuation as at		Percentage of total net assets attributable to Unitholders as at	
FY17/18	FY16/17	**FY17/18**	FY16/17	**date**	**31/03/2018**	31/03/2017	**31/03/2018**	31/03/2017
$'000	$'000	**%**	%		**$'000**	$'000	**%**	%
1,223	1,024	**82.2**	52.8	31/03/2018	**13,000**	14,000	**0.5**	0.6
2,219	2,164	**100.0**	100.0	31/03/2018	**25,500**	25,500	**0.9**	1.0
2,362	2,391	**95.3**	95.8	31/03/2018	**22,500**	25,000	**0.8**	1.0
341	1,107	**100.0**	100.0	31/03/2017	**–**	17,600	**–**	0.7
19,404	19,185				**177,900**	197,850		
363,230	340,565				**3,908,300**	3,748,650	**140.6**	148.0
					181,158	–	**6.5**	–
					(1,309,386)	(1,215,861)	**(47.1)**	(48.0)
					2,780,072	2,532,789	**100.0**	100.0

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

1. GENERAL INFORMATION

Mapletree Industrial Trust ("MIT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 29 January 2008 (as amended) between Mapletree Industrial Fund Management Pte. Ltd. and Mapletree Trustee Pte. Ltd.. The Trust Deed is governed by the laws of the Republic of Singapore. Mapletree Industrial Trust Management Ltd. (the "Manager") replaced Mapletree Industrial Fund Management Pte. Ltd. as Manager of MIT on 27 September 2010 and DBS Trustee Limited (the "Trustee") replaced Mapletree Trustee Pte. Ltd. as Trustee of MIT on 27 September 2010.

MIT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 October 2010 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 6 September 2010.

The principal activity of MIT and its subsidiaries (the "Group") is to invest in a diverse portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

MIT has entered into several service agreements in relation to the management of MIT and its property operations. The fee structures for these services are as follows:

(A) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of MIT ("Deposited Property") (subject to a minimum of $12,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Trustee's fees are payable monthly in arrears out of the Deposited Property of the Group. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current arrangement between the Manager and the Trustee, the Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $12,000 per month).

(B) Manager's Management fees

The Manager is entitled under the Trust Deed to receive the following remuneration:

(i) A base fee of 0.5% per annum of the value of MIT's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) A performance fee of 3.6% per annum of the net property income of MIT or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager will be paid in the form of cash and/or Units. The base fees are paid in cash and/or Units are paid quarterly, in arrears.

With effect from 1 April 2016, the performance fee shall be paid annually, in compliance with the Collective Investment Scheme issued by the Monetary Authority of Singapore.

Notes to the Financial Statements

For the financial year ended 31 March 2018

1. GENERAL INFORMATION (CONTINUED)

(C) Acquisition, Divestment and Development Management fees

The Manager is entitled to receive the following fees (if not prohibited by the Property Funds Appendix or if otherwise permitted):

(i) an acquisition fee not exceeding 1.0% of the acquisition price of real estate or real estate-related assets acquired directly or indirectly, through one or more Special Purpose Vehicles ("SPV"), pro-rated if applicable to the proportion of MIT's interest. For the purposes of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate; and

(ii) a divestment fee not exceeding 0.5% of the sale price of real estate-related assets disposed, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate; and

(iii) a development management fee not exceeding 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of MIT.

The acquisition and divestment fees will be paid in the form of cash and/or Units and are payable as soon as practicable after completion of the acquisition and disposal respectively.

The development management fees will be paid in the form of cash and is payable in equal monthly instalments over the construction period based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs are finalised.

(D) Property Manager's Management fees

(i) Property management services

The Trustee will pay Mapletree Facilities Services Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), a fee of up to 2.0% per annum of the gross revenue of each property.

(ii) Lease management services

The Trustee will pay the Property Manager, for each fiscal year, a fee of up to 1.0% per annum of the gross revenue of each property.

(iii) Marketing services

The Trustee will pay the Property Manager, the following commissions:

- Up to 1 month's gross rent inclusive of service charge, for securing a tenancy of 3 years or less;
- Up to 2 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years;
- Up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of 3 years or less; or
- Up to 1 month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than 3 years.

Notes to the Financial Statements

For the financial year ended 31 March 2018

1. **GENERAL INFORMATION** (CONTINUED)

(D) **Property Manager's Management fees** (continued)

(iii) **Marketing services** (continued)

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to a marketing services commission of;

- Up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of 3 years or less; or

- Up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years.

(iv) **Project management services**

The Trustee will pay the Property Manager, for each development or redevelopment, the refurbishment, retrofitting and renovation work of a property located in Singapore, the following fees:

- Where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;

- Where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs or $60,000, whichever is the higher;

- Where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs or $400,000, whichever is the higher; and

- Where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

The Property Manager's fees will be paid in the form of cash and is payable monthly, in arrears.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes ("CIS") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

These financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with RAP 7 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 area involving a higher degree of judgment, where assumptions and estimates are significant to the financial statements, is disclosed in Note 14 – Investment properties and investment properties under development. The assumptions and estimates were used by the independent valuer in arriving at their valuations.

Interpretations and amendments to published standards effective in 2017

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

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

FRS 7 Statement of cash flows

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax ("GST"), rebates and discounts.

Revenue is recognised as follows:

(a) Rental income and service charges from operating leases

Rental income and service charges (net of any incentives given to the lessees) from operating leases on the investment properties are recognised on a straight-line basis over the lease term.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

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

2.3 Government grants

Grants from government are recognised as receivable at their fair value when there is reasonable assurance that the grant 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 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.

2.4 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property expenses are Property Manager's fees which are based on the applicable formula stipulated in Note 1(D).

(b) Manager's management fees

Manager's management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(B).

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income tax

Taxation on the return for the year comprises current and deferred income tax. Income tax is recognised in the Statements of Total Return.

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 statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of 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 from investments in subsidiaries, 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 statement of financial position date; and

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

Current and deferred income taxes are recognised as income or expense in Statements of Total Return, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MIT for the income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of MIT, the Trustee will not be taxed on the portion of taxable income of MIT that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of MIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income tax (continued)

Although MIT is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from the distributions of such taxable income of MIT (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. The Trustee and the Manager will not deduct tax from the distributions made out of MIT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- A Singapore branch of a foreign company; and
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the gains without tax being deducted at source.

2.6 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 investment 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 that control ceases.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisition of businesses

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 the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in MIT'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.

Any retained 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 the Statements of Total Return.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in Note 2.7.

(b) Transactions with non-controlling interests

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting (continued)

(c) Joint ventures

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 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 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 joint ventures represents the excess of the cost of acquisition of the joint venture over the Group's share of the fair value of the identifiable net assets of the 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 Group's share of its 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 joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in joint venture equals to or exceeds its interest in the 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 joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained equity interest in the former 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 joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in the Statements of Total Return.

Please refer to the paragraph "Investments in subsidiaries and joint ventures" for the accounting policy on investments in joint ventures in the separate financial statements of the Trust.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses (Note 2.13) in MIT's Statement of Financial Position. On disposal of investments in subsidiaries and joint ventures, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the Statement of Total Return.

2.8 Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables include "cash and cash equivalents" (Note 11), "trade and other receivables" (Note 12) and "other current assets" except for "prepayments" (Note 13) in the Statements of Financial Position.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method.

The Group assesses at each statement of financial position date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

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

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

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

2.9 Borrowing costs

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

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investment properties and properties under development

Investment properties are properties that are held for long-term rental yields and/or for capital appreciation. Investment properties under development includes property that is being constructed or developed for future use as an investment property.

Investment properties are accounted for as non-current assets and are initially recognised at cost including transaction costs and borrowing costs and subsequently carried at fair value. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuer at least once a year, on the highest-and best-use basis in accordance with the CIS. Changes in fair values are recognised in the Statements of Total Return.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations, improvements and initial direct costs incurred in negotiating and arranging operating leases are capitalised and the carrying amounts of the replaced components are written off to the Statements of Total Return. The costs of maintenance, repairs and minor improvements are charged to the Statements of Total Return when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the Statements of Total Return.

2.11 Cash and cash equivalents

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.12 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised 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 plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful life
Plant and equipment	3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the Statements of Total Return when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to 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 in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the Statements of Total Return when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the Statements of Total Return.

2.13 Impairment of non-financial assets

Plant and equipment
Investments in subsidiaries and joint ventures

Plant and equipment and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets 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 Cash Generating Unit ("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 the Statements of Total Return.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount or if there is a change in the events that had given rise to the impairment since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) 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 Statements of Total Return, unless the asset is carried 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 the Statements of Total Return.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial guarantees classified as insurance contracts

Corporate guarantees issued by MIT to banks for borrowings of its subsidiary and joint venture are financial guarantees as they require MIT to reimburse the banks if the subsidiary or joint venture fails to make principal or interest payment overdue in accordance with the terms of the borrowings. These financial guarantees are accounted for as insurance contracts. Provision is recognised based on MIT's estimate of the ultimate cost of settling all claims incurred but unpaid at the end of the reporting period. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract. Intra-group transactions are eliminated on consolidation.

2.15 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 the Statements of Total Return over the period of the borrowings using the effective interest method.

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

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the 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.

2.17 Derivative financial instruments and hedging activities

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) fair value hedge; or (b) cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the Statements of Total Return when the changes arise.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Derivative financial instruments and hedging activities (continued)

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 instrument is more than 12 months and as a current asset or liability if the remaining expected life of the hedged instrument is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

(a) 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 Statements of Total Return. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in Statements of Total Return 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 Statements of Total Return.

(b) 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 the hedging reserve and transferred to the Statements of Total Return when the hedged interest expense on the borrowings is recognised in the Statements of Total Return. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the Statements of Total Return.

(ii) Currency forwards

The Group has entered into currency forwards that qualify as cash flow hedges and are used to hedge the highly probable forecasted foreign currency dividend income receivable from the investment in joint venture. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to the Statements of Total Return upon receipt of the dividend income.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in the Statements of Total Return. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in hedging reserve are reclassified to Statements of Total Return immediately.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Derivative financial instruments and hedging activities (continued)

(c) Net investment hedge

The Group has foreign currency 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 borrowings relating to the effective portion of the hedge are accumulated in the foreign currency translation reserve and reclassified to the Statements of Total Return 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 the Statements of Total Return.

2.18 Fair value estimation of financial assets and liabilities

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

The fair values of currency forwards are based on valuations provided by the Group's banker. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2.19 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.

2.20 Leases

(a) When the Group is a lessee:

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

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

(b) When the Group is a lessor:

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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 MIT.

(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 translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in the Statements of Total Return, except for currency translation differences on the net investment hedges for foreign operations, borrowing in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within the Statement of Movements in Unitholders' Funds of the Group.

(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 rates at the date of the Statements of Financial Position;

(ii) Income and expenses are translated at average exchange rates (unless the average rate 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 exchange differences are taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve. When a foreign operation is sold, such currency translation differences recorded in the foreign currency translation reserve are recognised in the Statements of Total Return as part of the gain or loss on sale.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Units and unit issuance expenses

Proceeds from the issuance of Units in MIT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new Units are deducted directly from the net assets attributable to the Unitholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.24 Distribution policy

MIT's distribution policy is to distribute at least 90% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses and allowances, as well as interest income from the placement of periodic cash surpluses in bank deposits. Distributions, when paid, will be in Singapore Dollars.

3. GROSS REVENUE

	Group		MIT	
	FY17/18	FY16/17	**FY17/18**	FY16/17
	$'000	$'000	**$'000**	$'000
Rental income	**290,901**	276,612	**272,976**	258,362
Service charges	**46,895**	45,484	**46,058**	44,723
Other operating income	**25,434**	18,469	**24,792**	18,295
	363,230	340,565	**343,826**	321,380

Gross revenue is generated by the Group's and MIT's investment properties.

Notes to the Financial Statements

For the financial year ended 31 March 2018

4. PROPERTY OPERATING EXPENSES

	Group		MIT	
	FY17/18	FY16/17	**FY17/18**	FY16/17
	$'000	$'000	**$'000**	$'000
Operation and maintenance	**38,156**	41,327	**36,764**	38,945
Property tax	**26,932**	23,972	**25,915**	23,097
Property and lease management fees	**10,897**	10,217	**10,315**	9,642
Marketing and legal expenses	**7,189**	5,748	**5,659**	5,067
Land rental expenses on operating leases	**2,006**	2,057	**781**	802
Other operating expenses	**447**	414	**424**	391
	85,627	83,735	**79,858**	77,944

All of the Group's and MIT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

5. INTEREST INCOME

	Group		MIT	
	FY17/18	FY16/17	**FY17/18**	FY16/17
	$'000	$'000	**$'000**	$'000
Interest income from:				
– loan to joint venture	**919**	–	**919**	–
– fixed deposits	**14**	29	**5**	21
– third parties	**94**	361	**70**	338
	1,027	390	**994**	359

6. INVESTMENT INCOME

	MIT	
	FY17/18	FY16/17
	$'000	$'000
Distribution income from:		
– subsidiary	**16,098**	11,765
– joint venture	**3,234**	–
	19,332	11,765

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. BORROWING COSTS

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Interest expense				
– Bank borrowings	**16,034**	14,850	**16,034**	14,850
– Medium term notes	**14,029**	10,904	**–**	–
– Loans from a subsidiary	**–**	–	**14,029**	10,904
	30,063	25,754	**30,063**	25,754
Financing fees	**1,575**	1,090	**1,575**	1,090
Cash flow hedges reclassified from hedging reserves	**4,493**	2,547	**4,493**	2,547
Finance income on interest rate swap treated as fair value hedge	**(794)**	(690)	**(794)**	(690)
Fair value losses on derivative financial instrument (Note 21)	**65**	65	**65**	65
Fair value adjustment on hedged item (Note 20)	**(65)**	(65)	**(65)**	(65)
	–	–	**–**	–
Less: Borrowing costs capitalised in investment properties under development [Note 14 (a)]	**(1,282)**	(1,376)	**(1,282)**	(1,376)
Borrowing costs recognised in Statement of Total Return	**34,055**	27,325	**34,055**	27,325

8. OTHER TRUST EXPENSES

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Listing expenses	**813**	802	**813**	802
Valuation fee	**124**	125	**116**	115
Audit fee	**133**	128	**122**	117
Other consultancy fees	**252**	285	**244**	279
	1,322	1,340	**1,295**	1,313

Notes to the Financial Statements

For the financial year ended 31 March 2018

9. INCOME TAX

(a) Income tax expense

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Tax expense attributable to profit is made up of:				
– Current income tax	**32**	*	**32**	–
Under provision in prior financial year				
– Current income tax	**–**	*	**–**	–
	32	*	**32**	–

* Amount less than $1,000

The tax on total return before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Total return before tax	**300,562**	270,571	**291,819**	266,430
Share of joint venture	**(21,776)**	–	**–**	–
Total return before tax excluding share of joint venture	**278,786**	270,571	**291,819**	266,430
Tax calculated at a tax rate of 17% (FY16/17: 17%)	**47,394**	45,997	**49,609**	45,293
Effects of:				
– Expenses not deductible for tax purposes	**1,178**	1,019	**1,067**	950
– Income not subjected to tax due to tax transparency ruling (Note 2.5)	**(37,410)**	(35,076)	**(39,125)**	(34,983)
– Net fair value gain on investment properties and investment properties under development	**(11,130)**	(11,940)	**(11,519)**	(11,260)
– Under provision in prior financial year	**–**	*	**–**	–
	32	*	**32**	–

* Amount less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

9. INCOME TAX (CONTINUED)

(b) Current income tax liabilities

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Beginning of financial year	*	*	–	–
Tax expense	**32**	*	**32**	–
Under provision in prior financial year	–	*	–	–
Income tax paid	**(*)**	(*)	–	–
End of financial year	**32**	*	**32**	–

* Amount less than $1,000

The income tax liabilities relate to taxable income of Mapletree Industrial Trust and Mapletree Industrial Trust Treasury Company Pte. Ltd..

10. EARNINGS PER UNIT

	Group	
	FY17/18	FY16/17
Total return attributable to Unitholders of the Group ($'000)	**300,530**	270,571
Weighted average number of units outstanding during the year ('000)	**1,836,442**	1,801,588
Basic and diluted earnings per unit (cents per unit)	**16.36**	15.02

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2018

11. CASH AND CASH EQUIVALENTS

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Cash at bank	**37,419**	15,685	**30,810**	13,236
Short-term bank deposits	**–**	22,300	**–**	17,900
	37,419	37,985	**30,810**	31,136

There is no short-term bank deposit as at 31 March 2018. Short-term bank deposits as at 31 March 2017 have a weighted average maturity of approximately 1 month. The interest rates as at 31 March 2017 ranged from 0.40% to 0.64% per annum.

12. TRADE AND OTHER RECEIVABLES

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Trade receivables				
– third parties	**3,541**	1,271	**3,504**	875
– subsidiary	**–**	–	**7**	–
Less: Allowance for impairment of receivables	**–**	–	**–**	–
Trade receivables – net	**3,541**	1,271	**3,511**	875
Interest receivable	**–**	2	**–**	*
Distribution receivable from:				
– a subsidiary	**–**	–	**3,194**	2,829
– joint venture	**3,234**	–	**3,234**	–
Other receivables				
– third parties	**1,299**	109	**1,286**	79
– related party	**–**	154	**–**	150
Accrued revenue				
– rental incentives	**15,640**	8,027	**15,358**	7,713
– others	**684**	658	**661**	651
	24,398	10,221	**27,244**	12,297

The other receivables due from a related party (non-trade) is unsecured, interest free and repayable on demand.

Notes to the Financial Statements

For the financial year ended 31 March 2018

13. OTHER CURRENT ASSETS

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Prepayments	**1,552**	1,145	**893**	410
Deposits	**20**	57	**18**	53
	1,572	1,202	**911**	463

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Investment properties and investment properties under development

	Group		MIT	
	Investment properties $'000	**Investment properties under development $'000**	**Investment properties $'000**	**Investment properties under development $'000**
31 March 2018				
Beginning of financial year	**3,530,850**	**217,800**	**3,333,000**	**217,800**
Additions during the year	**17,524**	**94,256**	**17,587**	**94,256**
Divestment during the year	**(17,600)**	**–**	**–**	**–**
Net transfers during the year	**260,821**	**(260,821)**	**260,821**	**(260,821)**
Net fair value gain	**65,005**	**465**	**67,292**	**465**
End of financial year	**3,856,600**	**51,700**	**3,678,700**	**51,700**
31 March 2017				
Beginning of financial year	3,338,350	219,500	3,144,500	219,500
Additions during the year	22,399	98,165	22,399	98,165
Net transfers during the year	134,742	(134,742)	134,742	(134,742)
Net fair value gain	35,359	34,877	31,359	34,877
End of financial year	3,530,850	217,800	3,333,000	217,800

Details of the properties are shown in the Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating leases [Note 23(c)].

During the year, borrowing costs amounting to $1,282,000 (FY16/17: $1,376,000) have been capitalised in the investment properties under development (Note 7).

Notes to the Financial Statements

For the financial year ended 31 March 2018

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONTINUED)

(a) Investment properties and investment properties under development (continued)

Valuation processes of the Group

The Manager engaged an external, independent and qualified valuer to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use.

- At every financial year end, the Manager:
- verifies all major inputs to the independent valuation reports,
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussion with the independent valuer.

(b) Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

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

All properties within MIT and the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) Reconciliation of Level 3 fair value measurements

The reconciliation between the balances at the beginning of the financial year is disclosed within the investment properties and investment properties under development movement table presented in Note 14(a).

Notes to the Financial Statements

For the financial year ended 31 March 2018

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and investment properties under development categorised under Level 3 of the fair value hierarchy:

Property segment	Valuation technique(s)	Key unobservable inputs[#]	Range of unobservable inputs
Flatted Factories	Income capitalisation	Capitalisation rate	From 6.50% to 7.75% (31 March 2017: From 6.50% to 7.25%)
	Discounted cash flow	Discount rate	From 7.75% to 9.00% (31 March 2017: 8.00%)
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	From 6.25% to 7.00% (31 March 2017: From 6.50% to 7.00%)
	Discounted cash flow	Discount rate	7.75% (31 March 2017: 8.00%)
	Residual land value	Gross development value	The same capitalisation rate and discount rate as disclosed for this property segment have been applied in determining the gross development value.
Business Park Buildings	Income capitalisation	Capitalisation rate	6.00% (31 March 2017: 6.00%)
	Discounted cash flow	Discount rate	7.50% (31 March 2017: 8.00%)
Stack-up/ Ramp-up Buildings	Income capitalisation	Capitalisation rate	6.50% (31 March 2017: 7.00%)
	Discounted cash flow	Discount rate	7.75% (31 March 2017: 8.00%)
Light Industrial Buildings	Income capitalisation	Capitalisation rate	6.50% to 7.00% (31 March 2017: From 6.50% to 6.75%)
	Discounted cash flow	Discount rate	7.75% (31 March 2017: 8.00%)

[#] There were no significant inter-relationships between unobservable inputs.

Notes to the Financial Statements

For the financial year ended 31 March 2018

14. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT (CONTINUED)

(d) Valuation techniques and key unobservable inputs (continued)

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net property income is the estimated annual net rental income of the building at current rate after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

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

- Residual land value – Investment properties under development is valued, as a starting point using the Income Capitalisation method and Discounted Cash Flow method to derive the fair value of the property as if the development was already completed at statement of financial position 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 properties under development.

Equal weightage was applied to the Income Capitalisation method and Discounted Cash Flow method to derive at the valuation of investment properties. Where applicable, Direct Sale Comparison method was used as a check.

Significant reductions in the capitalisation rate and/or discount rate in isolation would result in a significantly higher fair value of the investment properties and investment properties under development.

The significant unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.

The Manager is of the view that the valuation methods and estimates are reflective of the current market condition.

Notes to the Financial Statements

For the financial year ended 31 March 2018

15. PLANT AND EQUIPMENT

	Group and MIT	
	31 March 2018	31 March 2017
	$'000	$'000
Cost		
Beginning of financial year	**32**	30
Additions	**91**	2
End of financial year	**123**	32
Accumulated depreciation		
Beginning of financial year	**29**	28
Depreciation charge	**10**	1
End of financial year	**39**	29
Net book value		
End of financial year	**84**	3

16. INVESTMENTS IN SUBSIDIARIES

	MIT	
	31 March 2018	31 March 2017
	$'000	$'000
Equity investments at cost		
Beginning and end of financial year	*****	*

* Amount less than $1,000

Details of the subsidiaries are as follows:

Name of subsidiary	**Principal activities**	**Country of business/ incorporation**	**Equity interest held by MIT**	
			31 March 2018	31 March 2017
			%	%
Mapletree Singapore Industrial Trust**	Property investment	Singapore	**100**	100
Mapletree Industrial Trust Treasury Company Pte. Ltd**	Provision of treasury services	Singapore	**100**	100

** Audited by PricewaterhouseCoopers LLP, Singapore

There are no significant restrictions on any of the Group's subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. LOAN TO A SUBSIDIARY

MIT has extended an interest-free loan to one of its subsidiaries, MSIT, amounting to $166,594,000 (31 March 2017: $179,794,000). This loan has no fixed terms of repayment and is intended to be a long-term source of additional funding for the subsidiary. Settlement of this loan is neither planned nor likely to occur in the foreseeable future.

As a result, the Manager considers this loan to be in substance part of the MIT's net investment in MSIT and has accounted for this loan in accordance with Note 2.7.

18. INVESTMENT IN A JOINT VENTURE

	MIT	
	31 March 2018	31 March 2017
	$'000	$'000
Investment in a joint venture, at cost	**166,158**	–

On 24 October 2017, MIT formed a joint venture with Mapletree Investments Pte Ltd ("MIPL") to acquire 14 data centres in the United States of America through an unlisted single purpose trust, Mapletree Redwood Data Centre Trust ("MRDCT") for a purchase consideration of approximately US$750.0 million (S$1,020.0 million). The acquisition was completed on 20 December 2017. Under the joint venture agreement, MIPL holds 60.0% interest in MRDCT while MIT holds the remaining interest. The investment is deemed to be a joint venture of the Group as the relevant activities of the investment are decided by unanimous consent resulting in joint control over the investment.

There are no contingent liabilities relating to the Group's interest in the joint venture. During the financial year, MIT issued corporate guarantees to the banks for borrowings of MRDCT (Note 24 (b)).

Details of the joint venture are as follows:

Name of joint venture	Principal activity	Country of business/ incorporation	Equity interest held by MIT and the Group	
			31 March 2018	31 March 2017
			%	%
Mapletree Redwood Data Centre Trust	Property investment	Singapore	**40**	–

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Summarised financial information for joint venture

Set out below is the summarised financial information for MRDCT.

Summarised balance sheet

	MRDCT 31 March 2018 $'000
Assets and liabilities	
Non-current assets	
Investment properties	1,032,827
Other non-current assets	1,315
Current assets	
Cash and cash equivalents	18,830
Other current assets	4,086
Total assets	1,057,058
Current liabilities	22,723
Non-current liabilities	
Borrowings	591,167
Other non-current liabilities	606
Total liabilities	614,496
Net assets	442,562

Summarised statement of comprehensive income

	Period from 20 December 2017 to 31 March 2018 $'000
Gross revenue	26,292
Property operating expenses	(7,538)
Interest expense	(5,286)
Net fair value gain of investment properties	44,689
Total return for the year before income tax	58,157
Income tax expense	(3,716)
Total return for the year after income tax	54,441
Other comprehensive income	(8,857)
Total comprehensive income	45,584
Dividends receivable from joint venture	3,234

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. INVESTMENT IN A JOINT VENTURE (CONTINUED)

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

Reconciliation of summarised financial information

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

	MRDCT 31 March 2018 $'000
Net assets	
Beginning of financial year	–
Equity investment at cost	405,063
Total return excluding the net change in investment properties	9,752
Net change in fair value of investment properties held by joint venture	44,689
Hedging reserve	1,315
Dividend payable	(8,085)
Foreign exchange differences	(10,172)
End of financial year	442,562

	Group 31 March 2018 $'000
Interest in joint venture (40%)	177,025
Acquisition cost	4,133
Carrying value	181,158

Notes to the Financial Statements

For the financial year ended 31 March 2018

19. TRADE AND OTHER PAYABLES

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Current				
Trade payables				
– third parties	**6,818**	2,125	**6,816**	2,124
– related parties	**3,751**	1,992	**3,517**	1,862
Accrued operating expenses	**28,979**	28,526	**27,490**	26,358
Accrued retention sum	**11,293**	10,521	**11,293**	10,521
Accrued development cost	**16,243**	25,026	**16,243**	24,963
Tenancy related deposits	**22,966**	30,534	**22,543**	29,230
Rental received/billed in advance	**4,563**	2,226	**2,754**	468
Net GST payable	**2,070**	1,964	**1,838**	1,719
Interest payable	**5,512**	4,892	**3,995**	3,375
Interest payable to a subsidiary	**–**	–	**1,517**	1,517
Other payables	**913**	939	**909**	762
	103,108	108,745	**98,915**	102,899
Non-current				
Tenancy related deposits	**51,403**	46,143	**50,765**	45,723
	154,511	154,888	**149,680**	148,622

20. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Current				
Borrowings				
Bank loans	**60,000**	115,000	**60,000**	115,000
Transaction cost to be amortised	**(15)**	(14)	**(15)**	(14)
	59,985	114,986	**59,985**	114,986
Medium term note	**125,000**	–	**–**	–
Transaction cost to be amortised	**(58)**	–	**–**	–
	124,942	–	**–**	–
	184,927	114,986	**59,985**	114,986
Loan from a subsidiary				
Loan from a subsidiary	**–**	–	**125,000**	–
Transaction cost to be amortised	**–**	–	**(58)**	–
	–	–	**124,942**	–
	184,927	114,986	**184,927**	114,986

Notes to the Financial Statements

For the financial year ended 31 March 2018

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Non-current				
Borrowings				
Bank loans	**754,838**	587,880	**754,838**	587,880
Transaction cost to be amortised	**(1,075)**	(677)	**(1,075)**	(677)
	753,763	587,203	**753,763**	587,203
Medium term note	**280,000**	405,000	**–**	–
Change in fair value of hedged item (Note 7)	**(65)**	(65)	**–**	–
Transaction cost to be amortised	**(508)**	(713)	**–**	–
	279,427	404,222	**–**	–
	1,033,190	991,425	**753,763**	587,203
Loans from a subsidiary				
Loans from a subsidiary	**–**	–	**280,000**	405,000
Change in fair value of hedged item (Note 7)	**–**	–	**(65)**	(65)
Transaction cost to be amortised	**–**	–	**(508)**	(713)
	–	–	**279,427**	404,222
	–	–	**1,033,190**	991,425
	1,218,117	1,106,411	**1,218,117**	1,106,411

The above loans and notes are unsecured and, except for loans from a subsidiary, are subject to negative pledge on certain investment properties.

(a) Maturity of borrowings

The current bank loans mature in 6 months (31 March 2017: 1 to 6 months) from the end of the financial year. The current medium term note and loan from a subsidiary mature in 2019 (31 March 2017: nil).

The non-current bank loans, medium term notes and loans from a subsidiary mature between 2019 and 2026 (31 March 2017: between 2018 and 2026).

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20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(b) Weighted average interest rates

The weighted average all-in interest rates of total borrowings, including interest rate swaps as at the statement of financial position date were as follows:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Bank loans (current)	**3.01%**	2.07%	**3.01%**	2.07%
Bank loans (non-current)	**2.85%**	2.74%	**2.85%**	2.74%
Medium term notes (current)	**3.75%**	–	**–**	–
Medium term notes (non-current)	**3.08%**	3.26%	**–**	–
Loans from a subsidiary (current)	**–**	–	**3.75%**	–
Loans from a subsidiary (non-current)	**–**	–	**3.08%**	3.26%

(c) Medium term notes

In March 2012, the Group established a $1,000,000,000 Multicurrency Medium Term Note Programme ("MTN Programme"), via a subsidiary, MITTC. Under the MTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series in Singapore Dollars or any other currency ("MTN").

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN Programme.

The MTN shall constitute direct, unconditional, unsecured and unsubordinated obligations of MITTC ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of MITTC. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MIT.

Total notes outstanding as at 31 March 2018 under the MTN Programme is $405.0 million (31 March 2017: $405.0 million), consisting of:

(i) $125.0 million (31 March 2017: $125.0 million) Fixed Rate Notes due 2019. The MTN will mature on 8 March 2019 and bears an interest of 3.75% per annum payable semi-annually in arrears;

(ii) $45.0 million (31 March 2017: $45.0 million) Fixed Rate Notes due 2022. The MTN will mature on 7 September 2022 and bears an interest of 3.65% per annum payable semi-annually in arrears;

(iii) $75.0 million (31 March 2017: $75.0 million) Fixed Rate Notes due 2023. The MTN will mature on 11 May 2023 and bears an interest of 3.02% per annum payable semi-annually in arrears;

(iv) $60.0 million (31 March 2017: $60.0 million) Fixed Rate Notes due 2026. The MTN will mature on 2 March 2026 and bears an interest of 3.79% per annum payable semi-annually in arrears; and

(v) $100.0 million (31 March 2017: $100.0 million) Fixed Rate Notes due 2024. The MTN will mature on 28 March 2024 and bears an interest of 3.16% per annum payable semi-annually in arrears.

Notes to the Financial Statements

For the financial year ended 31 March 2018

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(d) Loans from a subsidiary

MITTC has on-lent the proceeds from the issuance of the above MTN to MIT, who has in turn used these proceeds to refinance its borrowings.

These loans are unsecured and repayable in full; consisting of:

(i) $125.0 million (31 March 2017: $125.0 million) maturing on 8 March 2019 and bears an interest of 3.75% per annum payable semi-annually in arrears;

(ii) $45.0 million (31 March 2017: $45.0 million) maturing on 7 September 2022 and bears an interest of 3.65% per annum payable semi-annually in arrears;

(iii) $75.0 million (31 March 2017: $75.0 million) maturing on 11 May 2023 and bears an interest of 3.02% per annum payable semi-annually in arrears;

(iv) $60.0 million (31 March 2017: $60.0 million) maturing on 2 March 2026 and bears an interest of 3.79% per annum payable semi-annually in arrears; and

(v) $100.0 million (31 March 2017: $100.0 million) maturing on 28 March 2024 and bears an interest of 3.16% per annum payable semi-annually in arrears.

(e) Carrying amount and fair value

The carrying amounts of the borrowings approximate their fair values, except for the following fixed-rate non-current borrowings:

	Carrying amounts		Fair values	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Group				
Bank loans (non-current)	**100,000**	100,000	**98,381**	100,054
Medium term notes (non-current)	**280,000**	405,000	**283,285**	414,481
MIT				
Bank loans (non-current)	**100,000**	100,000	**98,381**	100,054
Loans from a subsidiary (non-current)	**280,000**	405,000	**283,285**	414,481

The fair values above are determined from the cash flow analysis, discounted at the following market borrowing rates of an equivalent instrument at the statement of financial position date at which the Manager expects to be available to the Group:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Bank loans (non-current)	**3.2%**	3.2%	**3.2%**	3.2%
Medium term notes (non-current)	**3.1%**	2.7%	**–**	–
Loans from a subsidiary (non-current)	**–**	–	**3.1%**	2.7%

The fair values are within Level 2 of the fair value hierarchy.

Notes to the Financial Statements

For the financial year ended 31 March 2018

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(f) Interest rate risks

The exposure of the borrowings of the Group and MIT to interest rate changes and the contractual repricing dates at the statement of financial position dates after taking into account interest rate swaps as follows:

	Group and MIT	
	31 March 2018 $'000	31 March 2017 $'000
6 months or less	**181,631**	277,880

21. DERIVATIVE FINANCIAL INSTRUMENTS

		Group and MIT		
	Maturity	**Contract notional amount $'000**	**Fair value assets $'000**	**Fair value liabilities $'000**
31 March 2018				
Fair value hedges				
– Interest rate swaps	2023	75,000	–	65
Cash flow hedges				
– Interest rate swaps	2018 – 2021	608,207	1,375	1,523
– Currency forwards	2018 – 2019	2,618	14	–
Total		**685,825**	**1,389**	**1,588**
Less: Current portion			**(14)**	**(242)**
Non-current portion			**1,375**	**1,346**
31 March 2017				
Fair value hedges				
– Interest rate swaps	2023	75,000	–	65
Cash flow hedges				
– Interest rate swaps	2018 – 2021	400,000	–	3,908
Total		475,000	–	3,973
Less: Current portion			**–**	**–**
Non-current portion			**–**	**3,973**

<u>Period when the cash flows on cash flow hedges are expected to occur or affect the Statements of Total Return</u>

The Group has entered into interest rate swap transactions to hedge interest payments on the Group's floating rate borrowings. Fair value gains and losses on these interest rate swaps recognised in the hedging reserve are transferred to the Statements of Total Return as part of interest expense over the period of the borrowings.

MIT has entered into currency forwards to hedge quarterly dividend income receivable in foreign currency back into Singapore Dollars. The fair value changes on the currency forwards are recognised in the hedging reserve and transferred to the Statement of Total Return upon receipt of the dividend income.

Notes to the Financial Statements

For the financial year ended 31 March 2018

22. UNITS IN ISSUE

	Group and MIT	
	31 March 2018	31 March 2017
	'000	'000
Units at beginning of financial year	**1,802,160**	1,800,932
Units issued as settlement of manager's management fees [Note 22(a)]	**1,090**	1,228
Units issued due to private placement [Note 22(b)]	**81,968**	–
Units at end of the financial year	**1,885,218**	1,802,160

During the financial year, MIT issued the following units:

(a) 1,089,433 (FY16/17: 1,228,669) new Units at the issue prices ranging from $1.7406 to $2.0365 (FY16/17: $1.5938 to $1.7472) per unit, as part payment of the base management fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for a unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the management fees accrues.

(b) 81,968,000 new Units at $1.90 each pursuant to the private placement exercise (FY16/17: nil).

Each unit in MIT represents an undivided interest in MIT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MIT by receiving a share of all net cash proceeds derived from the realisation of the assets of MIT less any liabilities, in accordance with their proportionate interests in MIT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MIT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the issued units of MIT) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MIT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MIT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MIT exceed its assets.

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For the financial year ended 31 March 2018

23. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the statement of financial position date but not recognised in the financial statements are as follows:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	$'000	$'000	**$'000**	$'000
Capital expenditure contracted on investment properties and investment properties under development	**63,284**	113,422	**62,108**	113,156

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

The Group leases land from non-related parties under non-cancellable operating lease agreements. The future minimum lease payables under such non-cancellable operating leases contracted for at the statement of financial position date but not recognised as liabilities, are as follows:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	$'000	$'000	**$'000**	$'000
Not later than one year	**2,447**	2,512	**1,025**	1,036
Between two and five years	**9,675**	9,570	**4,003**	4,071
Later than five years	**37,981**	34,433	**24,268**	25,557
	50,103	46,515	**29,296**	30,664

The operating leases are subjected to revision of land rents at periodic intervals. For the purpose of the above disclosure, the prevailing land rent rates are used.

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

The Group and MIT lease out investment properties to related and non-related parties under non-cancellable operating leases. The future minimum lease receivables under such non-cancellable operating leases contracted for at the statement of financial position date but not recognised as receivables, are analysed as follows:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	$'000	$'000	**$'000**	$'000
Not later than one year	**325,486**	308,264	**308,622**	292,356
Between two and five years	**642,268**	572,176	**574,756**	520,673
Later than five years	**442,879**	457,082	**391,031**	418,062
	1,410,633	1,337,522	**1,274,409**	1,231,091

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as written policies covering specific areas, such as currency 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.

(a) Market risk

(i) Currency risk

The Manager's investment strategy includes investing in real-estate related assets used primarily as data centres worldwide beyond Singapore. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts currency risk management strategies that may include:

- The use of foreign currency denominated borrowings to match the currency of the asset management as a natural currency hedge. Borrowings designated and qualified as hedges of net investments in the Group's joint venture have a carrying amount of $158,628,685 as at 31 March 2018. The fair values of the borrowings approximate their carrying values except for the fixed-rate non-current borrowings disclosed in Note 20 (e).

- Entering into currency forwards to hedge the foreign currency income to be received from the offshore assets, back into Singapore Dollars.

The Group's main currency exposure based on the information provided to key management is as follows (SGD equivalent):

Group and MIT

	USD $'000
31 March 2018	
Financial assets	
Cash and cash equivalents	9
Dividend receivable from joint venture	3,234
	3,243
Financial liabilities	
Borrowings	(159,393)
Interest payable	(332)
	(159,725)
Net financial liabilities	(156,482)
Add: Non-financial assets	
Investment in a joint venture	177,025
Net assets	20,543
Less: Notional amount of currency forwards	(2,618)
Currency profile including non-financial assets and liabilities	17,925
Currency exposure of net financial assets less borrowings designated as net investment hedge	2,147

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group was not exposed to currency risk as at 31 March 2017 as the financial assets and liabilities were denominated in SGD.

Sensitivity analysis

The Group and MIT's main foreign currency exposure is in USD. As at 31 March 2018, if the USD increase/decrease by 5% against SGD, with all other variables including tax being constant, the Group and MIT's total return would have been lower/higher by $107,350 and the Group's other comprehensive income would have been lower/higher by $7,300.

(ii) Cash flow and fair value interest rate risks

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 borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved using fixed rate borrowings and interest rate swaps.

Sensitivity analysis

The Group and MIT's borrowings at variable rates on which effective hedges have not been entered into are denominated in SGD. As at 31 March 2018, if the SGD interest rates increase/decrease by 0.5% (31 March 2017: 0.5%) with all other variables including tax rate being held constant, the Group's total return would have been lower/higher by $908,000 (31 March 2017: $1,389,000) and the hedging reserve attributable to Unitholders would have been higher/lower by $5,017,000 (31 March 2017: $5,307,000).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and MIT are cash and bank deposits and trade receivables. Cash and short-term bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group adopts the policy of dealing 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 with counterparties of acceptable credit quality.

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

	Group and MIT	
	31 March 2018 $'000	31 March 2017 $'000
Corporate guarantees provided for borrowings of joint venture	**238,445**	–

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

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

Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit-ratings assigned by international credit rating agencies.

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

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

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

	Group		MIT	
	31 March 2018 $'000	31 March 2017 $'000	**31 March 2018 $'000**	31 March 2017 $'000
Past due < 3 months	**1,276**	1,226	**1,247**	843
Past due 3 to 6 months	**71**	24	**71**	20
Past due over 6 months	**14**	21	**13**	12
	1,361	1,271	**1,331**	875

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

	Group and MIT	
	31 March 2018 $'000	31 March 2017 $'000
Gross amount	**–**	–
Less: Allowance for impairment	**–**	–
	–	–
Beginning of financial year	**–**	(14)
Allowance reversed	**–**	12
Allowance utilised	**–**	2
End of financial year	**–**	–

The Manager believes that no additional allowance is necessary in respect of the remaining trade receivables as these receivables are mainly from tenants with good records with 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 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The Group and MIT adopt prudent liquidity risk management by maintaining sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and MIT based on contractual undiscounted cash flows prospectively for the next 5 years. Where it relates to a variable amount payable, the amount is determined by taking reference to the last contracted rate.

Group

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2018			
Trade and other payables	**90,963**	**50,502**	**901**
Borrowings	**185,000**	**799,838**	**235,000**
Accrued interest and interest payable	**37,174**	**71,125**	**10,066**
	313,137	**921,465**	**245,967**
At 31 March 2017			
Trade and other payables	101,627	45,604	539
Borrowings	115,000	712,880	280,000
Accrued interest and interest payable	31,469	67,442	18,489
	248,096	825,926	299,028

MIT

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2018			
Trade and other payables	**88,812**	**49,863**	**901**
Borrowings	**60,000**	**754,838**	**–**
Loans from a subsidiary	**125,000**	**45,000**	**235,000**
Accrued interest and interest payable	**37,174**	**71,125**	**10,066**
	310,986	**920,826**	**245,967**
At 31 March 2017			
Trade and other payables	97,539	45,322	401
Borrowings	115,000	587,880	–
Loans from a subsidiary	–	125,000	280,000
Accrued interest and interest payable	31,469	67,442	18,489
	244,008	825,644	298,890

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's and MIT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	Group and MIT		
	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2018			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net payments	(3,697)	(1,793)	84
Gross-settled currency forwards			
– Receipts	2,358	260	–
– Payments	(2,373)	(264)	–
	(3,712)	(1,797)	84
At 31 March 2017			
Net-settled interest rate swaps – fair value and cash flow hedges			
– Net payments	(3,776)	(4,481)	943

(d) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS to fund future acquisitions and asset enhancement works. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45% of its Deposited Property.

The Group has an aggregate leverage ratio of 33.1% (31 March 2017: 29.2%) at the statement of financial position date.

In accordance with Property Funds Appendix, the aggregate leverage ratio includes MIT's proportionate share of its joint venture's borrowings and deposited property values.

The Group and MIT are in compliance with the borrowing limit requirements imposed by the CIS and all externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

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For the financial year ended 31 March 2018

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

FRS 107 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

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

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of currency forwards are based on valuations provided by the Group's banker. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair value of the derivative financial instruments are presented below:

	Group and MIT	
	31 March 2018	31 March 2017
	$'000	$'000
Level 2		
Assets		
Derivative financial instruments		
– Interest rate swaps	**1,375**	–
– Currency forwards	**14**	–
	1,389	–
Liabilities		
Derivative financial instruments		
– Interest rate swaps	**1,588**	3,973

The carrying amount of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying value of borrowings approximate its fair value except for fixed rate non-current borrowings as disclosed in Note 20(e).

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 21 except for the following:

	Group		MIT	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
	$'000	$'000	**$'000**	$'000
Loans and receivables	**61,837**	48,263	**58,072**	43,486
Financial liabilities at amortised cost	**1,365,995**	1,259,073	**1,363,205**	1,254,565

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes under FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014), the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd. The immediate, intermediate and ultimate holding companies are Mapletree Dextra Pte Ltd, Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The immediate, intermediate and ultimate holding companies are incorporated in Singapore.

26. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place at terms agreed between the parties as follows:

	Group		MIT	
	FY17/18 $'000	FY16/17 $'000	**FY17/18 $'000**	FY16/17 $'000
Acquisition fees paid/payable to the Manager	**4,040**	–	**4,040**	–
Divestment fees paid/payable to the Manager	**88**	–	**–**	–
Property and lease management fees paid/payable (including reimbursable expenses) to the Property Manager	**15,736**	14,379	**14,902**	13,522
Marketing commission paid/payable to the Property Manager	**5,821**	4,901	**5,278**	4,741
Development management fees paid/payable to the Manager	**2,935**	2,310	**2,935**	2,310
Project management fees paid/payable to the Property Manager	**1,643**	705	**1,643**	705
Interest expense and financing fees paid/payable to a related party	**5,735**	6,627	**5,735**	6,627
Other products and service fees paid/payable to related parties	**8,037**	7,412	**7,974**	7,345
Rental and other related income received/receivable from related parties	**15,336**	5,930	**2,797**	2,890
Interest income received/receivable from a related party	**–**	1	**–**	1
Subscription of MIT's units by a related party	**9,500**	–	**9,500**	–

Notes to the Financial Statements

For the financial year ended 31 March 2018

27. FINANCIAL RATIOS

	Group	
	FY17/18	FY16/17
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fee	**1.19%**	1.19%
– excluding performance component of asset management fee	**0.81%**	0.82%
Portfolio Turnover Ratio[2]	**–**	–

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs and income tax expense.

[2] In accordance with the formulae stated in the CIS, the ratio reflects the number of times per year that a dollar of assets is reinvested. The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

28. SEGMENT INFORMATION

The operating segments have been determined based on the reports reviewed by the Chief Executive Officer, Chief Financial Officer and Head of Asset Management in making strategic decisions.

The Manager considers the business from a business segment perspective; managing and monitoring the business based on property types.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income ("NPI"). Interest income and borrowing costs are not allocated to segments, as the treasury activities are centrally managed by the Group. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment.

Notes to the Financial Statements

For the financial year ended 31 March 2018

28. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2018 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	159,065	99,771	52,411	44,697	7,286	363,230
Net property income	122,232	77,247	37,101	35,975	5,048	277,603
Interest income						1,027
Borrowing costs						(34,055)
Manager's management fees						(29,209)
Trustee's fees						(546)
Other trust expenses						(1,322)
Net foreign exchange gain						18
Net income						213,516
Net fair value gain/(loss) on investment properties and investment properties under development	17,407	35,964	2,943	12,256	(3,100)	65,470
Share of joint venture	–	21,776	–	–	–	21,776
Loss on divestment of investment property	–	–	–	–	(200)	(200)
Total return for the year before income tax						**300,562**
Income tax expense						(32)
Total return for the year after income tax before distribution						**300,530**
Segment assets						
– Investment properties	1,580,200	1,163,900	570,000	467,000	75,500	3,856,600*
– Investment properties under development	–	51,700	–	–	–	51,700*
– Investment in a joint venture	–	181,158	–	–	–	181,158
– Trade receivables	2,921	49	27	310	234	3,541
						4,092,999
Unallocated assets						
– Cash and cash equivalents						37,419
– Other receivables						20,857
– Other current assets						1,572
– Derivative financial instruments						1,389
– Plant and equipment						84
Consolidated total assets						**4,154,320**
Segment liabilities	42,214	13,421	10,527	11,073	1,709	78,944
Unallocated liabilities						
– Trade and other payables						75,567
– Borrowings						1,218,117
– Derivative financial instruments						1,588
– Current income tax liabilities						32
Consolidated total liabilities						**1,374,248**

* Include net fair value gain on properties of $65.5 million and additions of $111.8 million during the year.

Notes to the Financial Statements

For the financial year ended 31 March 2018

28. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2017 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	161,195	73,690	53,485	44,389	7,806	340,565
Net property income	122,439	55,878	37,955	35,704	4,854	256,830
Interest income						390
Borrowing costs						(27,325)
Manager's management fees						(27,699)
Trustee's fees						(521)
Other trust expenses						(1,340)
Net income						200,335
Net fair value (loss)/gain on investment properties and investment properties under development	(5,551)	71,487	1,304	2,996	–	70,236
Total return for the year before income tax						**270,571**
Income tax expense						(*)
Total return for the year after income tax before distribution						**270,571**
Segment assets						
– Investment properties	1,553,500	859,450	566,800	454,900	96,200	3,530,850**
– Investment properties under development	–	217,800	–	–	–	217,800**
– Trade receivables	517	329	13	91	321	1,271
						3,749,921
Unallocated assets						
– Cash and cash equivalents						37,985
– Other receivables						8,950
– Other current assets						1,202
– Plant and equipment						3
Consolidated total assets						**3,798,061**
Segment liabilities	41,958	12,413	10,900	11,312	2,320	78,903
Unallocated liabilities						
– Trade and other payables						75,985
– Borrowings						1,106,411
– Derivative financial instruments						3,973
– Current income tax liabilities						*
Consolidated total liabilities						**1,265,272**

* Amount less than $1,000
** Include net fair value gain on properties of $70.2 million and additions of $120.6 million for the financial year ended 31 March 2017.

Notes to the Financial Statements

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29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 or later periods and which the Group had not early adopted:

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

  FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from FVOCI reserve to retained profits.

  Under FRS 109, there are no changes to the classification and measurement requirements for financial liabilities except for recognition of fair value changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognized in OCI.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management uses for risk management purposes.

  There is also now a new expected credit losses impairment model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new FRS retrospectively from 1 April 2018 in line with the transition provisions permitted under the standard. Comparatives for the financial year ended 31 March 2018 will not be restated and the Group will recognise any difference between the carrying amounts as at 31 March 2018 and 1 April 2018 in the Statements of Movements in Unitholders' Funds.

  The following financial assets will be subject to the expected credit losses impairment under FRS 109:

  - Trade receivables;

  - Other receivables and amounts due from related parties

  The Group does not expect a material impact on the provision for impairment of the above financial assets.

Notes to the Financial Statements

For the financial year ended 31 March 2018

29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

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

  FRS 115 replaces FRS11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations.

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

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

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

  The Group does not anticipate that the adoption of this new FRS would have a material impact on the Group's financial statements.

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

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

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

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new standard retrospectively on 1 April 2019 and in line with the transition provisions permitted under the standard, the cumulative effect of initial application will be recognized as an adjustment to the opening unitholders' funds as at 1 April 2019.

  The Group is in the process of determining the extent to which its commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's total return and classification of cash flows.

Notes to the Financial Statements

For the financial year ended 31 March 2018

30. EVENTS OCCURRING AFTER STATEMENT OF FINANCIAL POSITION DATE

Subsequent to the statement of financial position date, the Manager announced a distribution of 2.95 cents per unit for the period from 1 January 2018 to 31 March 2018.

31. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 23 April 2018.

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