# FINANCIAL **STATEMENTS**

# REPORT OF
# THE TRUSTEE

For the financial year ended 31 March 2017

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 109 to 155, 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, 24 April 2017

# STATEMENT BY
# **THE MANAGER**

For the financial year ended 31 March 2017

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 109 to 155, comprising the Statements of Financial Position and Portfolio Statement for MIT and the Group as at 31 March 2017, 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 2017 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, 24 April 2017

# 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, Statement of Movement in Unitholders' Funds and Statement of Portfolio 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, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MIT as at 31 March 2017 and the consolidated financial performance of the Group and the financial performance of MIT, consolidated movements of unitholders' funds of the Group and movement in unitholders' funds of MIT, consolidated portfolio holdings of the Group and portfolio holdings 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 then ended;
- the statements of financial position of the Group and MIT as at 31 March 2017;
- 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 then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

*Independence*

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

# 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 2017. 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<br><br>*Refer to Note 12 (Investment Properties and Investment Properties under Development) to the financial statements.*<br><br>As at 31 March 2017, the carrying value of the Group's investment properties of $3.7 billion accounted for 98.7% of the Group's total assets.<br><br>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. | Our audit procedures included the following:<br>• assessed the competence, capabilities and objectivity of the external valuer engaged by the Group;<br>• obtained an understanding of the techniques used by the external valuer in determining the valuations of individual investment properties;<br>• discussed the critical assumptions made by the external valuer for the key inputs used in the valuation techniques;<br>• tested the integrity of information, including underlying lease and financial information provided to the external valuer; and<br>• assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs.<br><br>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.<br><br>We found the external valuer to be a member of recognised bodies for professional valuer. 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 2016/2017 ("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.

**Other information** (continued)

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

**Responsibilities of the Manager and those charged with governance for the financial statements**

The Manager is responsible for the preparation and fair presentation of these financial statements 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 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.

# 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)

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, 24 April 2017

# STATEMENTS OF
# **TOTAL RETURN**

For the financial year ended 31 March 2017

| | | Group | | MIT | |
|---|---|---|---|---|---|
| | | **FY16/17** | FY15/16 | **FY16/17** | FY15/16 |
| | Note | **$'000** | $'000 | **$'000** | $'000 |
| Gross revenue | 3 | **340,565** | 331,598 | **321,380** | 312,291 |
| Property operating expenses | 4 | **(83,735)** | (86,482) | **(77,944)** | (81,898) |
| Net property income | | **256,830** | 245,116 | **243,436** | 230,393 |
| Interest income | | **390** | 282 | **359** | 273 |
| Distributions from a subsidiary | | **–** | – | **11,765** | 12,529 |
| Borrowing costs | 5 | **(27,325)** | (25,923) | **(27,325)** | (25,923) |
| Manager's management fees | | | | | |
| – Base fees | | **(18,453)** | (17,755) | **(17,443)** | (16,754) |
| – Performance fees | | **(9,246)** | (8,824) | **(8,764)** | (8,294) |
| Trustee's fees | | **(521)** | (506) | **(521)** | (506) |
| Other trust expenses | 6 | **(1,340)** | (1,774) | **(1,313)** | (1,738) |
| **Net income** | | **200,335** | 190,616 | **200,194** | 189,980 |
| Net fair value gain on investment properties and investment properties under development | 12(a) | **70,236** | 81,964 | **66,236** | 81,849 |
| **Total return for the financial year before income tax** | | **270,571** | 272,580 | **266,430** | 271,829 |
| Income tax expense | 7(a) | **(*)** | (*) | **–** | – |
| **Total return for the financial year after income tax before distribution** | | **270,571** | 272,580 | **266,430** | 271,829 |
| **Earnings per unit** | | | | | |
| – **Basic and diluted (cents)** | 8 | **15.02** | 15.40 | | |

* Amount less than $1,000

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

# STATEMENTS OF **FINANCIAL POSITION**

As at 31 March 2017

| | | Group | | MIT | |
|---|---|---|---|---|---|
| | | **31 March 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| | Note | **$'000** | $'000 | **$'000** | $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 9 | **37,985** | 54,340 | **31,136** | 47,295 |
| Trade and other receivables | 10 | **10,221** | 9,239 | **12,297** | 12,300 |
| Other current assets | 11 | **1,202** | 1,631 | **463** | 802 |
| Derivative financial instruments | 18 | – | 540 | **–** | 540 |
| | | **49,408** | 65,750 | **43,896** | 60,937 |
| **Non-current assets** | | | | | |
| Investment properties | 12(a) | **3,530,850** | 3,338,350 | **3,333,000** | 3,144,500 |
| Investment properties under development | 12(a) | **217,800** | 219,500 | **217,800** | 219,500 |
| Plant and equipment | 13 | **3** | 2 | **3** | 2 |
| Investments in subsidiaries | 14 | **–** | – | ***** | * |
| Loan to a subsidiary | 15 | **–** | – | **179,794** | 179,794 |
| Derivative financial instruments | 18 | **–** | 339 | **–** | 339 |
| | | **3,748,653** | 3,558,191 | **3,730,597** | 3,544,135 |
| **Total assets** | | **3,798,061** | 3,623,941 | **3,774,493** | 3,605,072 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 16 | **108,745** | 79,700 | **102,899** | 75,075 |
| Borrowings | 17 | **114,986** | 47,354 | **114,986** | 47,354 |
| Current income tax liabilities | 7(b) | ***** | * | **–** | – |
| | | **223,731** | 127,054 | **217,885** | 122,429 |
| **Non-current liabilities** | | | | | |
| Other payables | 16 | **46,143** | 54,534 | **45,723** | 53,451 |
| Borrowings | 17 | **991,425** | 973,808 | **587,203** | 669,051 |
| Loans from a subsidiary | 17 | **–** | – | **404,222** | 304,757 |
| Derivative financial instruments | 18 | **3,973** | 3,321 | **3,973** | 3,321 |
| | | **1,041,541** | 1,031,663 | **1,041,121** | 1,030,580 |
| **Total liabilities** | | **1,265,272** | 1,158,717 | **1,259,006** | 1,153,009 |
| **Net assets attributable to Unitholders** | | **2,532,789** | 2,465,224 | **2,515,487** | 2,452,063 |
| Represented by: | | | | | |
| Unitholders' funds | | **2,532,789** | 2,465,224 | **2,515,487** | 2,452,063 |
| **UNITS IN ISSUE ('000)** | 20 | **1,802,160** | 1,800,932 | **1,802,160** | 1,800,932 |
| **NET ASSET VALUE PER UNIT ($)** | | **1.41** | 1.37 | **1.40** | 1.36 |

* 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 2017

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 $'000** | FY15/16 $'000 |
| **Amount available for distribution to Unitholders at beginning of the year** | **51,361** | 47,673 | **51,361** | 47,673 |
| Total return for the year | **270,571** | 272,580 | **266,430** | 271,829 |
| Adjustment for net effect of non-tax chargeable items and other adjustments (Note A) | **(65,611)** | (74,750) | **(61,470)** | (73,999) |
| Amount available for distribution | **204,960** | 197,830 | **204,960** | 197,830 |
| **Distribution to Unitholders:** | | | | |
| Distribution of 2.65 cents per unit for the period from 01 January 2015 to 31 March 2015 | **–** | (46,344) | **–** | (46,344) |
| Distribution of 2.73 cents per unit for the period from 01 April 2015 to 30 June 2015 | **–** | (48,068) | **–** | (48,068) |
| Distribution of 2.79 cents per unit for the period from 01 July 2015 to 30 September 2015 | **–** | (49,391) | **–** | (49,391) |
| Distribution of 2.82 cents per unit for the period from 01 October 2015 to 31 December 2015 | **–** | (50,339) | **–** | (50,339) |
| 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)** | – |
| Total Unitholders' distribution (including capital distribution) (Note B) | **(203,918)** | (194,142) | **(203,918)** | (194,142) |
| **Amount available for distribution to Unitholders at end of the year** | **52,403** | 51,361 | **52,403** | 51,361 |

Note A:
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments comprise:

| | | | | |
|---|---|---|---|---|
| – Trustee's fees | **521** | 506 | **521** | 506 |
| – Financing related costs | **1,252** | 1,781 | **1,252** | 1,781 |
| – Net fair value gain on investment properties and investment properties under development | **(70,236)** | (81,964) | **(66,236)** | (81,849) |
| – Management fees paid/payable in units | **2,031** | 2,045 | **2,031** | 2,045 |
| – Expense capital items | **1,674** | 2,206 | **1,254** | 2,247 |
| – Adjustments from rental incentives | **(998)** | 894 | **(707)** | 881 |
| – Other non-tax deductible items and adjustments | **145** | (218) | **415** | 390 |
| | **(65,611)** | (74,750) | **(61,470)** | (73,999) |

Note B:
Total Unitholders' distribution

| | | | | |
|---|---|---|---|---|
| – Taxable income distribution | **(203,018)** | (193,089) | **(203,018)** | (193,089) |
| – Capital distribution | **(900)** | (1,053) | **(900)** | (1,053) |
| | **(203,918)** | (194,142) | **(203,918)** | (194,142) |

* Amount less than $1,000

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

# CONSOLIDATED STATEMENT
# OF CASH FLOWS

For the financial year ended 31 March 2017

| | Note | Group FY16/17 $'000 | FY15/16 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Total return for the financial year after income tax before distribution | | **270,571** | 272,580 |
| Adjustments for: | | | |
| – Income tax expense | 7(a) | ***** | * |
| – (Writeback)/impairment of trade receivables | 22(b) | **(12)** | 14 |
| – Bad debts recovered | | **–** | (16) |
| – Net fair value gain on investment properties and investment properties under development | 12(a) | **(70,236)** | (81,964) |
| – Interest income | | **(390)** | (282) |
| – Borrowing costs | 5 | **27,325** | 25,923 |
| – Manager's management fees paid/payable in units | | **2,031** | 2,045 |
| – Rental incentives | | **(998)** | 894 |
| – Depreciation | 13 | **1** | 1 |
| **Operating cash flows before working capital changes** | | **228,292** | 219,195 |
| Change in operating assets and liabilities | | | |
| – Trade and other receivables | | **23** | 3,250 |
| – Trade and other payables | | **5,127** | (3,404) |
| – Other current assets | | **211** | 179 |
| Cash generated from operations | | **233,653** | 219,220 |
| Interest received | | **393** | 280 |
| Income tax (paid)/recovered | 7(b) | **(*)** | 166 |
| **Net cash provided by operating activities** | | **234,046** | 219,666 |
| **Cash flows from investing activities** | | | |
| Additions to investment properties | | **(23,255)** | (7,555) |
| Additions to investment properties under development | | **(80,599)** | (35,975) |
| Additions to plant and equipment | | **(2)** | (2) |
| **Net cash used in investing activities** | | **(103,856)** | (43,532) |
| **Cash flows from financing activities** | | | |
| Repayment of bank loans | | **(172,362)** | (287,213) |
| Payment of transaction costs | | **(270)** | (355) |
| Gross proceeds from bank loans | | **157,880** | 97,932 |
| Gross proceeds from issuance of medium term notes | | **100,000** | 135,000 |
| Distribution to Unitholders | | **(203,918)** | (114,554)[1] |
| Interest paid | | **(27,875)** | (24,565) |
| **Net cash used in financing activities** | | **(146,545)** | (193,755) |
| Net decrease in cash and cash equivalents | | **(16,355)** | (17,621) |
| Cash and cash equivalents at beginning of financial year | | **54,340** | 71,961 |
| Cash and cash equivalents at end of financial year | 9 | **37,985** | 54,340 |

* Amount less than $1,000

[1] This amount excludes $79.6 million distributed through the issuance of 52,591,728 new units in MIT in FY15/16 as part payment of distributions for the period from 1 January 2015 to 31 December 2015, pursuant to the Distribution Reinvestment Plan ("DRP").

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

# STATEMENTS OF MOVEMENTS
# IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2017

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17** | FY15/16 | **FY16/17** | FY15/16 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **OPERATIONS** | | | | |
| **Balance at beginning of year** | **785,993** | 707,555 | **772,832** | 695,145 |
| Total return for the year | **270,571** | 272,580 | **266,430** | 271,829 |
| Distributions | **(203,918)** | (194,142) | **(203,918)** | (194,142) |
| **Balance at end of year** | **852,646** | 785,993 | **835,344** | 772,832 |
| **UNITHOLDERS' CONTRIBUTION** | | | | |
| **Balance at beginning of year** | **1,682,012** | 1,600,386 | **1,682,012** | 1,600,386 |
| Issue of new units pursuant to the DRP | **–** | 79,588 | **–** | 79,588 |
| Manager's management fees paid in units | **2,039** | 2,038 | **2,039** | 2,038 |
| **Balance at end of year** | **1,684,051** | 1,682,012 | **1,684,051** | 1,682,012 |
| **HEDGING RESERVE** | | | | |
| **Balance at beginning of year** | **(2,781)** | 4,242 | **(2,781)** | 4,242 |
| Fair value losses | **(3,674)** | (4,881) | **(3,674)** | (4,881) |
| Cash flow hedges recognised as borrowing cost (Note 5) | **2,547** | (2,142) | **2,547** | (2,142) |
| **Balance at end of year** | **(3,908)** | (2,781) | **(3,908)** | (2,781) |
| **Total Unitholders' funds at the end of the year** | **2,532,789** | 2,465,224 | **2,515,487** | 2,452,063 |

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

# PORTFOLIO **STATEMENT**

As at 31 March 2017

| 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 | 54 years | 510, 512 & 514 Chai Chee Lane Singapore |
| Changi North | 01/07/2008 | 60 years | 51 years | 11 Changi North Street 1 Singapore |
| Clementi West | 01/07/2008 | 30 years | 21 years | 1 Clementi Loop Singapore |
| Kaki Bukit | 01/07/2008 | 60 years | 51 years | 2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore |
| Kallang Basin 1 | 26/08/2011 | 20 years | 14 years | 5 & 7 Kallang Place Singapore |
| Kallang Basin 2 | 26/08/2011 | 20 years | 14 years | 9 & 11 Kallang Place Singapore |
| Kallang Basin 3 | 26/08/2011 | 30 years | 24 years | 16 Kallang Place Singapore |
| Kallang Basin 4 | 01/07/2008 | 33 years | 24 years | 26, 26A, 28 & 30 Kallang Place Singapore |
| Kallang Basin 5 | 01/07/2008 | 33 years | 24 years | 19, 21 & 23 Kallang Avenue Singapore |
| Kallang Basin 6 | 01/07/2008 | 33 years | 24 years | 25 Kallang Avenue Singapore |
| Kampong Ampat | 01/07/2008 | 60 years | 51 years | 171 Kampong Ampat Singapore |
| Kampong Ubi | 26/08/2011 | 60 years | 54 years | 3014A, 3014B & 3015A Ubi Road 1 Singapore |
| Kolam Ayer 1 | 01/07/2008 | 43 years | 34 years | 8, 10 & 12 Lorong Bakar Batu Singapore |
| Kolam Ayer 2 | 01/07/2008 | 43 years | 34 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 date | Valuation as at | | Percentage of total net assets attributable to Unitholders as at | |
|---|---|---|---|---|---|---|---|---|
| **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 %** | FY15/16 % | | **31/03/2017 $'000** | 31/03/2016 $'000 | **31/03/2017 %** | 31/03/2016 % |
| **12,563** | 12,754 | **89.5** | 94.0 | 31/03/2017 | **148,500** | 147,600 | **5.9** | 5.9 |
| **1,683** | 1,949 | **74.4** | 85.0 | 31/03/2017 | **19,100** | 20,600 | **0.8** | 0.8 |
| **4,809** | 4,575 | **98.0** | 96.2 | 31/03/2017 | **36,700** | 36,700 | **1.4** | 1.5 |
| **18,605** | 18,611 | **93.7** | 95.9 | 31/03/2017 | **201,500** | 198,500 | **8.0** | 8.1 |
| **2,989** | 2,908 | **96.9** | 96.9 | 31/03/2017 | **19,400** | 20,500 | **0.8** | 0.8 |
| **5,277** | 5,086 | **94.2** | 92.0 | 31/03/2017 | **36,000** | 38,500 | **1.4** | 1.6 |
| **8,114** | 8,060 | **89.9** | 92.1 | 31/03/2017 | **77,000** | 77,000 | **3.0** | 3.1 |
| **8,395** | 8,572 | **93.8** | 94.9 | 31/03/2017 | **74,400** | 88,400[2] | **2.9** | 3.6 |
| **6,304** | 6,157 | **96.7** | 95.7 | 31/03/2017 | **55,400** | 55,400 | **2.2** | 2.2 |
| **4,744** | 4,800 | **96.9** | 99.1 | 31/03/2017 | **41,000** | 41,000 | **1.6** | 1.7 |
| **10,702** | 10,350 | **99.6** | 100.0 | 31/03/2017 | **102,700** | 102,700 | **4.0** | 4.2 |
| **10,354** | 10,246 | **90.3** | 89.2 | 31/03/2017 | **122,900** | 122,900 | **4.8** | 5.0 |
| **7,503** | 7,463 | **97.9** | 98.2 | 31/03/2017 | **73,100** | 73,100 | **2.9** | 3.0 |
| **7,200** | 7,119 | **90.9** | 90.3 | 31/03/2017 | **68,000** | 68,000 | **2.7** | 2.8 |

# PORTFOLIO STATEMENT

As at 31 March 2017

| 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 | 34 years | 1, 3 & 5 Kallang Sector Singapore |
| Loyang 1 | 01/07/2008 | 60 years | 51 years | 30 Loyang Way Singapore |
| Loyang 2 | 01/07/2008 | 60 years | 51 years | 2, 4 & 4A Loyang Lane Singapore |
| Redhill 1 | 01/07/2008 | 30 years | 21 years | 1001, 1001A & 1002 Jalan Bukit Merah Singapore |
| Redhill 2 | 01/07/2008 | 30 years | 21 years | 1003 & 3752 Bukit Merah Central Singapore |
| Tanglin Halt | 01/07/2008 | 56 years | 47 years | 115A & 115B Commonwealth Drive Singapore |
| Tiong Bahru 1 | 01/07/2008 | 30 years | 21 years | 1090 Lower Delta Road Singapore |
| Tiong Bahru 2 | 01/07/2008 | 30 years | 21 years | 1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore |
| Toa Payoh North 2 | 01/07/2008 | 30 years | 21 years | 1004 Toa Payoh North Singapore |
| Toa Payoh North 3 | 01/07/2008 | 30 years | 21 years | 1008 & 1008A Toa Payoh North Singapore |
| **Hi-Tech Buildings** | | | | |
| 1 Depot Close[3] | 01/07/2008 | 60 years | 51 years | 1 Depot Close Singapore |
| 26A Ayer Rajah Crescent | 27/01/2015[4] | 30 years | 26 years | 26A Ayer Rajah Crescent Singapore |
| K&S Corporate Headquarters | 04/10/2013[4] | 30 + 28.5 years | 54 years | 23A Serangoon North Avenue 5 Singapore |
| Serangoon North | 01/07/2008 | 60 years | 51 years | 6 Serangoon North Avenue 5 Singapore |

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

| Gross revenue FY16/17 $'000 | Gross revenue FY15/16 $'000 | Average occupancy rate FY16/17 % | Average occupancy rate FY15/16 % | Latest valuation date | Valuation as at 31/03/2017 $'000 | Valuation as at 31/03/2016 $'000 | Percentage of total net assets attributable to Unitholders as at 31/03/2017 % | Percentage of total net assets attributable to Unitholders as at 31/03/2016 % |
|---|---|---|---|---|---|---|---|---|
| **8,914** | 9,183 | **94.0** | 94.4 | 31/03/2017 | **85,000** | 84,600 | **3.4** | 3.4 |
| **6,284** | 6,707 | **87.3** | 94.6 | 31/03/2017 | **62,900** | 62,600 | **2.5** | 2.5 |
| **3,734** | 3,785 | **84.3** | 86.4 | 31/03/2017 | **37,700** | 37,400 | **1.5** | 1.5 |
| **6,736** | 7,075 | **92.1** | 97.6 | 31/03/2017 | **62,900** | 62,900 | **2.5** | 2.6 |
| **5,923** | 6,035 | **89.8** | 91.2 | 31/03/2017 | **53,000** | 53,000 | **2.1** | 2.1 |
| **4,397** | 4,385 | **97.8** | 99.8 | 31/03/2017 | **45,700** | 44,400 | **1.8** | 1.8 |
| **2,274** | 2,356 | **91.3** | 96.1 | 31/03/2017 | **19,000** | 19,000 | **0.7** | 0.8 |
| **7,797** | 7,688 | **97.1** | 97.4 | 31/03/2017 | **65,100** | 65,100 | **2.6** | 2.6 |
| **2,620** | 2,621 | **98.3** | 100.0 | 31/03/2017 | **20,500** | 20,500 | **0.8** | 0.8 |
| **3,274** | 3,175 | **99.3** | 98.7 | 31/03/2017 | **26,000** | 26,000 | **1.0** | 1.1 |
| **5,101** | – | **68.1** | – | 31/03/2017 | **185,700** | – | **7.3** | – |
| **8,388** | 8,224 | **100.0** | 100.0 | 31/03/2017 | **121,800** | 121,500 | **4.8** | 4.9 |
| **7,462** | 6,625 | **94.5** | 86.0 | 31/03/2017 | **60,500** | 60,200 | **2.4** | 2.4 |
| **17,077** | 15,896 | **91.6** | 85.4 | 31/03/2017 | **165,900** | 164,600 | **6.6** | 6.7 |

# PORTFOLIO **STATEMENT**

As at 31 March 2017

| Description of property/cluster[1] | Acquisition date | Term of lease * | Remaining term of lease * | Location |
|---|---|---|---|---|
| **Investment properties held under MIT** (continued) | | | | |
| **Hi-Tech Buildings** (continued) | | | | |
| Toa Payoh North 1 | 01/07/2008 | 30 years | 21 years | 970, 978, 988 & 998 Toa Payoh North Singapore |
| Woodlands Central | 01/07/2008 | 60 years | 51 years | 33 & 35 Marsiling Industrial Estate Road 3 Singapore |
| **Business Park Buildings** | | | | |
| The Signature | 01/07/2008 | 60 years | 51 years | 51 Changi Business Park Central 2 Singapore |
| The Strategy | 01/07/2008 | 60 years | 51 years | 2 International Business Park Singapore |
| The Synergy | 01/07/2008 | 60 years | 51 years | 1 International Business Park Singapore |
| **Stack-up/Ramp-up Buildings** | | | | |
| Woodlands Spectrum 1 and 2 | 01/07/2008 | 60 years | 51 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 | 44 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 | 51 years | 1A Depot Close Singapore |
| 30A Kallang Place[2] | 01/07/2008 | 33 years | 24 years | 30A Kallang Place Singapore |
| Mukim 06 Lot 00869CPT[5] | – | 30 years | 30 years | Mukim 06 Lot 00869CPT |
| Subtotal – Investment properties under development held under MIT | | | | |
| Subtotal – MIT | | | | |

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

| Gross revenue FY16/17 $'000 | Gross revenue FY15/16 $'000 | Average occupancy rate FY16/17 % | Average occupancy rate FY15/16 % | Latest valuation date | Valuation as at 31/03/2017 $'000 | Valuation as at 31/03/2016 $'000 | Percentage of total net assets attributable to Unitholders as at 31/03/2017 % | Percentage of total net assets attributable to Unitholders as at 31/03/2016 % |
|---|---|---|---|---|---|---|---|---|
| **13,451** | 13,800 | **97.4** | 99.6 | 31/03/2017 | **110,500** | 110,500 | **4.4** | 4.5 |
| **9,712** | 9,042 | **87.2** | 80.8 | 31/03/2017 | **99,300** | 97,900 | **3.9** | 4.0 |
| **13,366** | 11,649 | **77.2** | 70.3 | 31/03/2017 | **148,000** | 147,400 | **5.8** | 6.0 |
| **28,086** | 27,168 | **97.9** | 96.9 | 31/03/2017 | **291,700** | 287,200 | **11.5** | 11.7 |
| **12,033** | 12,912 | **83.5** | 94.9 | 31/03/2017 | **127,100** | 126,900 | **5.0** | 5.1 |
| **44,389** | 44,218 | **93.6** | 96.3 | 31/03/2017 | **454,900** | 447,800 | 18.0 | 18.1 |
| **1,120** | 1,097 | **100.0** | 100.0 | 31/03/2017 | **14,100** | 14,100 | 0.6 | 0.6 |
| **321,380** | 312,291 | | | | **3,333,000** | 3,144,500 | | |
| – | – | – | – | 31/03/2017 | **186,000** | 219,500 | **7.3** | 8.9 |
| – | – | – | – | 31/03/2017 | **30,900** | – | **1.2** | – |
| – | – | – | – | 31/03/2017 | **900** | – | ** | – |
| – | – | | | | **217,800** | 219,500 | | |
| **321,380** | 312,291 | | | | **3,550,800** | 3,364,000 | | |

# PORTFOLIO **STATEMENT**

As at 31 March 2017

| 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 | 34 years | 19 Tai Seng Drive Singapore |
| Tata Communications Exchange | 21/10/2010 | 30 + 30 years | 52 years | 35 Tai Seng Street Singapore |
| **Light Industrial Buildings** | | | | |
| 19 Changi South Street 1 | 21/10/2010 | 30 + 30 years | 40 years | 19 Changi South Street 1 Singapore |
| 26 Woodlands Loop | 21/10/2010 | 30 + 30 years | 38 years | 26 Woodlands Loop Singapore |
| 45 Ubi Road 1 | 21/10/2010 | 30 + 30 years | 36 years | 45 Ubi Road 1 Singapore |
| 65 Tech Park Crescent | 21/10/2010 | 60 years | 36 years | 65 Tech Park Crescent Singapore |
| Subtotal – MSIT | | | | |

Gross revenue / investment properties and investment properties under development – Group[6]
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 asset enhancement initiative involves the development of a new 14-storey high specification building and improvement works at the existing buildings in the Kallang Basin 4 Cluster, which was announced on 20 October 2015. The new 14-storey high specification building, 30A Kallang Place, has been reclassified as an investment property under development and a Hi-Tech Building as at 31 March 2017.
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 Depot Close ("Phase One of the BTS development") had obtained its Temporary Occupation Permit ("TOP") on 21 October 2016 and has been reclassified as an investment property. 1A Depot Close ("Phase Two of the BTS development") is accounted for as an investment property under development as at 31 March 2017.
4 Refers to the TOP date.
5 Refers to a new six-storey BTS data centre to be developed in the West Region of Singapore, which was announced on 5 March 2017.
6 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 2017. The valuations were undertaken by Savills Valuation & 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, Residual Land Value method, and where applicable, the Direct Sale Comparison method as described in Note 12(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 FY16/17 $'000 | Gross revenue FY15/16 $'000 | Average occupancy rate FY16/17 % | Average occupancy rate FY15/16 % | Latest valuation date | Valuation as at 31/03/2017 $'000 | Valuation as at 31/03/2016 $'000 | Percentage of total net assets attributable to Unitholders as at 31/03/2017 % | Percentage of total net assets attributable to Unitholders as at 31/03/2016 % |
|---|---|---|---|---|---|---|---|---|
| **1,702** | 1,669 | **100.0** | 100.0 | 31/03/2017 | **20,100** | 16,100 | **0.8** | 0.7 |
| **10,797** | 10,588 | **100.0** | 100.0 | 31/03/2017 | **95,650** | 95,650 | **3.8** | 3.9 |
| **1,024** | 1,304 | **52.8** | 99.5 | 31/03/2017 | **14,000** | 14,000 | **0.6** | 0.6 |
| **2,164** | 2,111 | **100.0** | 100.0 | 31/03/2017 | **25,500** | 25,500 | **1.0** | 1.0 |
| **2,391** | 2,550 | **95.8** | 100.0 | 31/03/2017 | **25,000** | 25,000 | **1.0** | 1.0 |
| **1,107** | 1,085 | **100.0** | 100.0 | 31/03/2017 | **17,600** | 17,600 | **0.7** | 0.7 |
| **19,185** | 19,307 | | | | **197,850** | 193,850 | | |
| **340,565** | 331,598 | | | | **3,748,650** | 3,557,850 | **148.0** | 144.3 |
| | | | | | **(1,215,861)** | (1,092,626) | **(48.0)** | (44.3) |
| | | | | | **2,532,789** | 2,465,224 | **100.0** | 100.0 |

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

**1. GENERAL**

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.

**1. GENERAL** (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 management 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) Fees under the Property Management Agreement**

**(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** (CONTINUED)

**(D) Fees under the Property Management Agreement** (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 is payable monthly, in arrears.

**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 12 – 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 2016***

On 1 April 2016, 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.

**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).

**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.

**2. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.5 Income tax** (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**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.

*(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.

**2. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.7 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses (Note 2.13) in MIT's Statement of Financial Position. On disposal of investments in subsidiaries, 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 9), "trade and other receivables" (Note 10) and "other current assets" except for "prepayments" (Note 11) 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.

**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.

**2. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.10 Investment properties and properties under development** (continued)

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.

**(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 recognised in the Statements of Total Return.

**2. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.13 Impairment of non-financial assets**

***Plant and equipment***

***Investments in subsidiaries***

Plant and equipment and investments in subsidiaries 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.

**2.14 Borrowings**

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in 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.

**2.15 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. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.16 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.

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**

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.

**2.17 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 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.

**2.18 Provisions**

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

**2. SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**2.19 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.

**2.20 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.

**2.21 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.

**2.22 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.

**2.23 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** | |
|---|---|---|---|---|
| | **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 $'000** | FY15/16 $'000 |
| Rental income | **276,612** | 269,953 | **258,362** | 251,407 |
| Service charges | **45,484** | 44,479 | **44,723** | 43,852 |
| Other operating income | **18,469** | 17,166 | **18,295** | 17,032 |
| | **340,565** | 331,598 | **321,380** | 312,291 |

Gross revenue is generated by the Group's and MIT's investment properties.

## 4. PROPERTY OPERATING EXPENSES

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17** | FY15/16 | **FY16/17** | FY15/16 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Operation and maintenance | **41,327** | 44,222 | **38,945** | 42,905 |
| Property tax | **23,972** | 24,877 | **23,097** | 23,950 |
| Property and lease management fees | **10,217** | 9,948 | **9,642** | 9,369 |
| Marketing and legal expenses | **5,748** | 4,951 | **5,067** | 4,417 |
| Land rental expenses on operating leases | **2,057** | 2,043 | **802** | 842 |
| Other operating expenses | **414** | 441 | **391** | 415 |
| | **83,735** | 86,482 | **77,944** | 81,898 |

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. BORROWING COSTS

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17** | FY15/16 | **FY16/17** | FY15/16 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Interest expense | | | | |
| – Bank borrowings | **15,940** | 20,658 | **15,940** | 20,658 |
| – Medium term notes | **10,904** | 8,557 | **–** | – |
| – Loans from a subsidiary | **–** | – | **10,904** | 8,557 |
| | **26,844** | 29,215 | **26,844** | 29,215 |
| Cash flow hedges reclassified from hedging reserves (Note 19) | **2,547** | (2,142) | **2,547** | (2,142) |
| Finance income on interest rate swap treated as fair value hedge | **(690)** | (619) | **(690)** | (619) |
| Fair value loss/(gain) on financial instrument (Note 18) | **65** | (339) | **65** | (339) |
| Fair value adjustment on hedged item (Note 17) | **(65)** | 339 | **(65)** | 339 |
| | **–** | – | **–** | – |
| Less: Borrowing costs capitalised in investment properties under development [Note 12 (a)] | **(1,376)** | (531) | **(1,376)** | (531) |
| Borrowing costs recognised in Statements of Total Return | **27,325** | 25,923 | **27,325** | 25,923 |

## 6. OTHER TRUST EXPENSES

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17** | FY15/16 | **FY16/17** | FY15/16 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Listing expenses | **802** | 1,232 | **802** | 1,232 |
| Valuation fee | **125** | 133 | **115** | 123 |
| Audit fee | **128** | 122 | **117** | 112 |
| Other consultancy fees | **285** | 287 | **279** | 271 |
| | **1,340** | 1,774 | **1,313** | 1,738 |

## 7. INCOME TAX

### (a) Income tax expense

| | Group | | MIT | |
|---|---|---|---|---|
| | **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 $'000** | FY15/16 $'000 |
| Tax expense attributable to profit is made up of: | | | | |
| – Current income tax | ***** | * | **–** | – |
| Under provision in prior financial year | | | | |
| – Current income tax | ***** | * | **–** | – |
| | ***** | * | **–** | – |

* 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 | |
|---|---|---|---|---|
| | **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 $'000** | FY15/16 $'000 |
| Total return before tax | **270,571** | 272,580 | **266,430** | 271,829 |
| Tax calculated at a tax rate of 17% (FY15/16: 17%) | **45,997** | 46,339 | **45,293** | 46,211 |
| Effects of: | | | | |
| – Expenses not deductible for tax purposes | **1,019** | 1,344 | **950** | 1,334 |
| – Income not subjected to tax due to tax transparency ruling (Note 2.5) | **(35,076)** | (33,749) | **(34,983)** | (33,631) |
| – Net fair value gain on investment properties and investment properties under development | **(11,940)** | (13,934) | **(11,260)** | (13,914) |
| – Under provision in prior financial year | ***** | * | **–** | – |
| | ***** | * | **–** | – |

* Amount less than $1,000

### (b) Current income tax liabilities

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Beginning of financial year | ***** | (166) | **–** | (166) |
| Tax expense | ***** | * | **–** | – |
| Under provision in prior financial year | ***** | * | **–** | – |
| Income tax (paid)/recovered | **(*)** | 166 | **–** | 166 |
| End of financial year | ***** | * | **–** | – |

* Amount less than $1,000

The income tax liabilities relate to taxable income of Mapletree Industrial Trust Treasury Company Pte. Ltd. ("MITTC").

## 8. EARNINGS PER UNIT

| | Group | |
|---|---|---|
| | **FY16/17** | FY15/16 |
| Total return attributable to Unitholders of the Group ($'000) | **270,571** | 272,580 |
| Weighted average number of units outstanding during the year ('000) | **1,801,588** | 1,769,855 |
| Basic and diluted earnings per unit (cents per unit) | **15.02** | 15.40 |

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.

## 9. CASH AND CASH EQUIVALENTS

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Cash at bank | **15,685** | 13,740 | **13,236** | 11,895 |
| Short-term bank deposits | **22,300** | 40,600 | **17,900** | 35,400 |
| | **37,985** | 54,340 | **31,136** | 47,295 |

Short-term bank deposits at the statement of financial position date have a weighted average maturity of approximately 1 month (31 March 2016: 1 month) from the end of the financial year. The interest rates at statement of financial position date ranged from 0.40% to 0.64% (31 March 2016: 0.50% to 0.85%) per annum.

## 10. TRADE AND OTHER RECEIVABLES

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Trade receivables | **1,271** | 1,546 | **875** | 1,545 |
| Less : Allowance for impairment of receivables | **–** | (14) | **–** | (14) |
| Trade receivables – net | **1,271** | 1,532 | **875** | 1,531 |
| Interest receivable | **2** | 6 | ***** | 4 |
| Distribution receivable from a subsidiary | **–** | – | **2,829** | 3,100 |
| Other receivables | | | | |
| – third parties | **109** | 214 | **79** | 202 |
| – related party | **154** | – | **150** | – |
| Accrued revenue | **8,685** | 7,487 | **8,364** | 7,463 |
| | **10,221** | 9,239 | **12,297** | 12,300 |

* Amount less than $1,000

The other receivables due from a related party (non-trade) is unsecured, interest free and repayable on demand.

## 11. OTHER CURRENT ASSETS

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Prepayments | **1,145** | 1,580 | **410** | 755 |
| Deposits | **57** | 51 | **53** | 47 |
| | **1,202** | 1,631 | **463** | 802 |

## 12. 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 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** |
| **31 March 2016** | | | | |
| Beginning of financial year | 3,267,150 | 157,000 | 3,073,700 | 157,000 |
| Additions during the year | 3,358 | 48,378 | 3,073 | 48,378 |
| Net fair value gain | 67,842 | 14,122 | 67,727 | 14,122 |
| End of financial year | **3,338,350** | **219,500** | **3,144,500** | **219,500** |

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 21(c)].

During the year, borrowing costs amounting to $1,376,000 (FY15/16: $531,000) have been capitalised in the investment properties under development (Note 5).

**Valuation processes of the Group**

The Manager engages 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.

**12. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT** (CONTINUED)

**(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 12(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 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 7.25%<br>(31 March 2016: From 6.50% to 7.25%) |
| | Discounted cash flow | Discount rate | 8.00%<br>(31 March 2016: 8.00%) |
| Hi-Tech Buildings | Income capitalisation | Capitalisation rate | From 6.50% to 7.00%<br>(31 March 2016: From 6.50% to 7.00%) |
| | Discounted cash flow | Discount rate | 8.00%<br>(31 March 2016: 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%<br>(31 March 2016: 6.00%) |
| | Discounted cash flow | Discount rate | 8.00%<br>(31 March 2016: 8.00%) |
| Stack-up/ Ramp-up Buildings | Income capitalisation | Capitalisation rate | 7.00%<br>(31 March 2016: 7.00%) |
| | Discounted cash flow | Discount rate | 8.00 %<br>(31 March 2016: 8.00%) |
| Light Industrial Buildings | Income capitalisation | Capitalisation rate | 6.50% to 6.75%<br>(31 March 2016: From 6.50% to 6.75%) |
| | Discounted cash flow | Discount rate | 8.00%<br>(31 March 2016: 8.00%) |

(#) There were no significant inter-relationships between unobservable inputs.

**12. 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.

**13. PLANT AND EQUIPMENT**

| | Group and MIT | |
|---|---|---|
| | **31 March 2017** | 31 March 2016 |
| | **$'000** | $'000 |
| **Cost** | | |
| Beginning of financial year | **30** | 28 |
| Additions | **2** | 2 |
| End of financial year | **32** | 30 |
| **Accumulated depreciation** | | |
| Beginning of financial year | **28** | 27 |
| Depreciation charge | **1** | 1 |
| End of financial year | **29** | 28 |
| **Net book value** | | |
| End of financial year | **3** | 2 |

## 14. INVESTMENTS IN SUBSIDIARIES

| | MIT | |
|---|---|---|
| | **31 March 2017** | 31 March 2016 |
| | **$'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 and the Group | |
|---|---|---|---|---|
| | | | **31 March 2017** | 31 March 2016 |
| | | | **%** | % |
| 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.

## 15. LOAN TO A SUBSIDIARY

MIT has extended an interest-free loan to one of its subsidiaries, MSIT, amounting to $179,794,000 (31 March 2016: $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.

## 16. TRADE AND OTHER PAYABLES

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| **Current** | | | | |
| Trade payables | | | | |
| – third parties | **2,125** | 1,706 | **2,124** | 1,670 |
| – related parties | **1,992** | 1,245 | **1,862** | 1,184 |
| Accrued operating expenses | **28,526** | 22,393 | **26,358** | 20,997 |
| Accrued retention sum | **10,521** | 6,971 | **10,521** | 6,971 |
| Accrued development cost | **25,026** | 13,243 | **24,963** | 13,180 |
| Tenancy related deposits | **30,534** | 22,650 | **29,230** | 22,017 |
| Rental received in advance | **2,226** | 2,538 | **468** | 386 |
| Net GST payable | **1,964** | 3,340 | **1,719** | 3,057 |
| Interest payable | **4,892** | 5,156 | **3,375** | 3,667 |
| Interest payable to a subsidiary | **–** | – | **1,517** | 1,489 |
| Other payables | **939** | 458 | **762** | 457 |
| | **108,745** | 79,700 | **102,899** | 75,075 |
| **Non-current** | | | | |
| Tenancy related deposits | **46,143** | 54,534 | **45,723** | 53,451 |
| | **154,888** | 134,234 | **148,622** | 128,526 |

## 17. Borrowings and loans from a subsidiary

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| **Current** | | | | |
| *Borrowings* | | | | |
| Bank loans | **115,000** | 47,362 | **115,000** | 47,362 |
| Transaction cost to be amortised | **(14)** | (8) | **(14)** | (8) |
| | **114,986** | 47,354 | **114,986** | 47,354 |
| **Non-current** | | | | |
| *Borrowings* | | | | |
| Bank loans | **587,880** | 670,000 | **587,880** | 670,000 |
| Transaction cost to be amortised | **(677)** | (949) | **(677)** | (949) |
| | **587,203** | 669,051 | **587,203** | 669,051 |
| Medium term notes | **405,000** | 305,000 | **–** | – |
| Change in fair value of hedged item (Note 5) | **(65)** | 339 | **–** | – |
| Transaction cost to be amortised | **(713)** | (582) | **–** | – |
| | **404,222** | 304,757 | **–** | – |
| | **991,425** | 973,808 | **587,203** | 669,051 |
| *Loans from a subsidiary* | | | | |
| Loans from a subsidiary | **–** | – | **405,000** | 305,000 |
| Change in fair value of hedged item (Note 5) | **–** | – | **(65)** | 339 |
| Transaction cost to be amortised | **–** | – | **(713)** | (582) |
| | **–** | – | **404,222** | 304,757 |
| | **1,106,411** | 1,021,162 | **1,106,411** | 1,021,162 |

The above loans and notes are unsecured and, except for loans from a subsidiary, are subject to negative pledge on certain investment properties.

**17. BORROWINGS AND LOANS FROM A SUBSIDIARY** (CONTINUED)

**(a) Maturity of borrowings**

Current bank loans mature in 1 to 6 months (31 March 2016: 1 to 5 months) from the end of the financial year.

The non-current bank loans, medium term notes and loans from a subsidiary mature between 2018 and 2026 (31 March 2016: between 2017 and 2026).

**(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 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| Bank loans (current) | **2.07%** | 1.83% | **2.07%** | 1.83% |
| Bank loans (non-current) | **2.74%** | 2.25% | **2.74%** | 2.25% |
| Medium term notes (non-current) | **3.26%** | 3.39% | **–** | – |
| Loans from a subsidiary (non-current) | **–** | – | **3.26%** | 3.39% |

**(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 2017 under the MTN Programme is $405.0 million (31 March 2016: $305.0 million), consisting of:

(i) $125.0 million (31 March 2016: $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 2016: $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 2016: $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 2016: $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 2016: $ nil) 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.

**17. 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 2016: $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 2016: $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 2016: $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 2016: $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 2016: $ nil) 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 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| **Group** | | | | |
| Bank loans (non-current) | **100,000** | 100,000 | **100,054** | 100,312 |
| Medium term notes (non-current) | **405,000** | 305,000 | **414,481** | 311,689 |
| **MIT** | | | | |
| Bank loans (non-current) | **100,000** | 100,000 | **100,054** | 100,312 |
| Loans from a subsidiary | **405,000** | 305,000 | **414,481** | 311,689 |

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 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| Bank loans (non-current) | **3.2%** | 3.1% | **3.2%** | 3.1% |
| Medium term notes (non-current) | **2.7%** | 2.9% | **–** | – |
| Loans from a subsidiary (non-current) | **–** | – | **2.7%** | 2.9% |

The fair values are within Level 2 of the fair value hierarchy.

**17. 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 2017** | 31 March 2016 |
| | **$'000** | $'000 |
| 6 months or less | **277,880** | 122,362 |

The Group has entered into interest rate swaps which effectively converted its floating rate borrowings of $400.0 million (31 March 2016: $570.0 million) to fixed interest rates (Note 18) and fixed rate borrowings of $75.0 million (31 March 2016: $75.0 million) to floating interest rates (Note 18) for the duration of the swaps.

**18. DERIVATIVE FINANCIAL INSTRUMENTS**

| | Group and MIT | | |
|---|---|---|---|
| | **Contract notional amount $'000** | **Fair value assets $'000** | **Fair value liabilities $'000** |
| **31 March 2017** | | | |
| *Fair value hedges* | | | |
| – Interest rate swaps | 75,000 | – | 65 |
| *Cash flow hedges* | | | |
| – Interest rate swaps | 400,000 | – | 3,908 |
| Total | 475,000 | – | 3,973 |
| **Less: Current portion** | | **–** | **–** |
| **Non-current portion** | | **–** | **3,973** |
| **31 March 2016** | | | |
| *Fair value hedges* | | | |
| – Interest rate swaps | 75,000 | 339 | – |
| *Cash flow hedges* | | | |
| – Interest rate swaps | 720,000 | 540 | 3,321 |
| Total | 795,000 | 879 | 3,321 |
| **Less: Current portion** | | **540** | **–** |
| **Non-current portion** | | **339** | **3,321** |

**18. DERIVATIVE FINANCIAL INSTRUMENTS** (CONTINUED)

Period when the cash flows on cash flow hedges are expected to occur or affect the Statements of Total Return

The Group has entered into interest rate swap transactions to hedge quarterly interest payments on the Group's floating rate borrowings. As at 31 March 2017, the various notional amounts and corresponding maturity periods of these interest rate swaps are as follows:

- $ 100.0 million maturing in the financial year ending 31 March 2019;
- $ 150.0 million maturing in the financial year ending 31 March 2020;
- $ 100.0 million maturing in the financial year ending 31 March 2021; and
- $ 50.0 million maturing in the financial year ending 31 March 2022.

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.

**19. HEDGING RESERVE**

| | Group and MIT | |
|---|---|---|
| | **31 March 2017** | 31 March 2016 |
| | **$'000** | $'000 |
| Beginning of financial year | **(2,781)** | 4,242 |
| Fair value losses | **(3,674)** | (4,881) |
| Cash flow hedges recognised as borrowing costs (Note 5) | **2,547** | (2,142) |
| End of financial year | **(3,908)** | (2,781) |

Hedging reserve is non-distributable.

**20. UNITS IN ISSUE**

| | Group and MIT | |
|---|---|---|
| | **31 March 2017** | 31 March 2016 |
| | **'000** | '000 |
| Units at beginning of financial year | **1,800,932** | 1,747,008 |
| Units issued as settlement of manager's management fees [Note 20(a)] | **1,228** | 1,332 |
| Units issued pursuant to the DRP [Note 20(b)] | **–** | 52,592 |
| Units at end of the financial year | **1,802,160** | 1,800,932 |

(a) During the financial year, MIT issued 1,228,669 (FY15/16: 1,331,766) new Units at the issue prices ranging from $1.5938 to $1.7472 (FY15/16: $1.4935 to $1.5475) 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) MIT introduced and implemented a DRP on 22 January 2013 whereby the Unitholders have the option to receive their distribution in units instead of cash or a combination of units and cash. On 26 January 2016, MIT announced the suspension of the DRP after the distribution for the period from 1 October 2015 to 31 December 2015.

In the previous financial year, 52,591,728 new Units at the issue prices ranging from $1.4736 to $1.5761 per unit were issued pursuant to the DRP.

**20. UNITS IN ISSUE** (CONTINUED)

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.

**21. 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 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Development expenditure contracted on investment properties and investment properties under development | **113,422** | 91,436 | **113,156** | 91,436 |

**(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 2017** | 31 March 2016 | **31 March 2017** | 31 March 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Not later than one year | **2,512** | 2,362 | **1,036** | 825 |
| Between two and five years | **9,570** | 9,267 | **4,071** | 3,269 |
| Later than five years | **34,433** | 31,388 | **25,557** | 21,194 |
| | **46,515** | 43,017 | **30,664** | 25,288 |

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.

**21. COMMITMENTS** (CONTINUED)

**(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 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Not later than one year | **308,264** | 302,014 | **292,356** | 284,145 |
| Between two and five years | **572,176** | 561,672 | **520,673** | 512,585 |
| Later than five years | **457,082** | 496,906 | **418,062** | 446,041 |
| | **1,337,522** | 1,360,592 | **1,231,091** | 1,242,771 |

**22. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

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 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 – 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 2017, if the SGD interest rates increase/decrease by 0.50% (31 March 2016: 0.50%) with all other variables including tax rate being held constant, the Group's total return would have been lower/higher by $1,389,000 (31 March 2016: $612,000) and the hedging reserve attributable to Unitholders would have been higher/lower by $5,307,000 (31 March 2016: $4,789,000).

**(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.

*(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.

**22. FINANCIAL RISK MANAGEMENT** (CONTINUED)

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

*(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 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Past due < 3 months | **1,226** | 1,418 | **843** | 1,417 |
| Past due 3 to 6 months | **24** | 105 | **20** | 105 |
| Past due over 6 months | **21** | 9 | **12** | 9 |
| | **1,271** | 1,532 | **875** | 1,531 |

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 2017 $'000** | 31 March 2016 $'000 |
| Gross amount | **–** | 44 |
| Less: Allowance for impairment | **–** | (14) |
| | **–** | 30 |
| Beginning of financial year | **(14)** | (2) |
| Allowance reversed/(made) | **12** | (14) |
| Allowance utilised | **2** | 2 |
| End of financial year | **–** | (14) |

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.

**(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.

**22. FINANCIAL RISK MANAGEMENT** (CONTINUED)

**(c) Liquidity risk** (continued)

**Group**

| | Less than 1 year $'000 | Between 1 and 5 years $'000 | Over 5 years $'000 |
|---|---|---|---|
| **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** |
| **At 31 March 2016** | | | |
| Trade and other payables | 72,006 | 52,992 | 1,542 |
| Borrowings | 47,362 | 695,000 | 280,000 |
| Accrued interest and interest payable | 35,338 | 77,576 | 20,028 |
| | 154,706 | 825,568 | 301,570 |

**MIT**

| | Less than 1 year $'000 | Between 1 and 5 years $'000 | Over 5 years $'000 |
|---|---|---|---|
| **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** |
| **At 31 March 2016** | | | |
| Trade and other payables | 69,533 | 52,045 | 1,406 |
| Borrowings | 47,362 | 570,000 | 100,000 |
| Loans from a subsidiary | – | 125,000 | 180,000 |
| Accrued interest and interest payable | 35,338 | 77,576 | 20,028 |
| | 152,233 | 824,621 | 301,434 |

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 2017** | | | |
| Net-settled interest rate swaps – fair value and cash flow hedges – Net cash outflows/(inflows) | **3,776** | **4,481** | **(943)** |
| **At 31 March 2016** | | | |
| Net-settled interest rate swaps – fair value and cash flow hedges – Net cash (inflows)/outflows | (1,907) | 1,908 | (851) |

## 22. 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 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 29.2% (31 March 2016: 28.2%) at the statement of financial position date.

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 2017 and 31 March 2016.

### (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 value of the derivative financial instruments is made up of interest rate swaps obtained from independent financial institutions. Valuation techniques using assumptions based on market conditions existing at statement of financial position date are used in the determination of the fair value of the interest rate swaps.

The fair value of the interest rate swaps are presented below:

| | **Group and MIT** | |
|---|---|---|
| | **31 March 2017** **$'000** | 31 March 2016 $'000 |
| **Level 2** | | |
| **Assets** | | |
| Derivative financial instruments | **–** | 879 |
| **Liabilities** | | |
| Derivative financial instruments | **3,973** | 3,321 |

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 17(e).

**22. FINANCIAL RISK MANAGEMENT** (CONTINUED)

**(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 18 except for the following:

| | Group | | MIT | |
|---|---|---|---|---|
| | **31 March 2017 $'000** | 31 March 2016 $'000 | **31 March 2017 $'000** | 31 March 2016 $'000 |
| Loans and receivables | **48,263** | 63,630 | **43,486** | 59,642 |
| Financial liabilities at amortised cost | **1,259,073** | 1,152,858 | **1,254,565** | 1,149,302 |

**23. 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.

**24. 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 | |
|---|---|---|---|---|
| | **FY16/17 $'000** | FY15/16 $'000 | **FY16/17 $'000** | FY15/16 $'000 |
| Manager's management fees paid/payable to the Manager | **27,699** | 26,579 | **26,207** | 25,048 |
| Property and lease management fees paid/payable (including reimbursable expenses) to the Property Manager | **14,379** | 13,133 | **13,522** | 12,396 |
| Marketing commission paid/payable to the Property Manager | **4,901** | 4,101 | **4,741** | 4,085 |
| Development management fees paid/payable to the Manager | **2,310** | 1,553 | **2,310** | 1,553 |
| Project management fees paid/payable to the Property Manager | **705** | 739 | **705** | 731 |
| Trustee fees paid/payable to the Trustee | **521** | 506 | **521** | 506 |
| Interest expense and financing fees paid/payable to a related party | **6,627** | 8,798 | **6,627** | 8,798 |
| Other products and service fees paid/payable to related parties | **7,412** | 10,370 | **7,345** | 10,321 |
| Rental and other related income received/receivable from related parties | **5,930** | 4,867 | **2,890** | 3,199 |
| Interest income received/receivable from a related party | **1** | 11 | **1** | 10 |

## 25. FINANCIAL RATIOS

| | Group | |
|---|---|---|
| | **FY16/17** | FY15/16 |
| Ratio of expenses to weighted average net assets[1] | | |
| – including performance component of asset management fee | **1.19%** | 1.21% |
| – excluding performance component of asset management fee | **0.82%** | 0.84% |
| 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.

## 26. 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. 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.

**26. 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 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 S$70.2 million and additions of S$120.6 million during the year.

**26. SEGMENT INFORMATION** (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2016 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 | 161,660 | 65,844 | 51,729 | 44,218 | 8,147 | 331,598 |
| Net property income | 121,527 | 47,919 | 33,700 | 35,531 | 6,439 | 245,116 |
| Interest income | | | | | | 282 |
| Borrowing costs | | | | | | (25,923) |
| Manager's management fees | | | | | | (26,579) |
| Trustee's fees | | | | | | (506) |
| Other trust expenses | | | | | | (1,774) |
| Net income | | | | | | 190,616 |
| Net fair value gain on investment properties and investment properties under development | 32,313 | 31,842 | 11,694 | 6,015 | 100 | 81,964 |
| **Total return for the year before income tax** | | | | | | **272,580** |
| Income tax expense | | | | | | (*) |
| **Total return for the year after income tax before distribution** | | | | | | **272,580** |
| Segment assets | | | | | | |
| – Investment properties | 1,566,400 | 666,450 | 561,500 | 447,800 | 96,200 | 3,338,350** |
| – Investment properties under development | – | 219,500 | – | – | – | 219,500** |
| – Trade receivables | 616 | 350 | 25 | 541 | – | 1,532 |
| | | | | | | 3,559,382 |
| Unallocated assets | | | | | | |
| – Cash and cash equivalents | | | | | | 54,340 |
| – Other receivables | | | | | | 7,707 |
| – Other current assets | | | | | | 1,631 |
| – Derivative financial instruments | | | | | | 879 |
| – Plant and equipment | | | | | | 2 |
| **Consolidated total assets** | | | | | | **3,623,941** |
| Segment liabilities | 42,978 | 12,288 | 11,005 | 11,165 | 2,286 | 79,722 |
| Unallocated liabilities | | | | | | |
| – Trade and other payables | | | | | | 54,512 |
| – Borrowings | | | | | | 1,021,162 |
| – Derivative financial instruments | | | | | | 3,321 |
| – Current income tax liabilities | | | | | | * |
| **Consolidated total liabilities** | | | | | | **1,158,717** |

* Amount less than $1,000

** Include net fair value gain on properties of S$82.0 million and additions of S$51.7 million for the financial year ended 31 March 2016.

## 27. 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 2017 or later periods and which the Group had not early adopted:

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

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

  The Group will apply the standard from 1 April 2017.

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

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

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

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

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

  FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts and related interpretations.

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

**27. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS** (CONTINUED)

- **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 significantly change.

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

  The Group is assessing the impact of the standard and will apply the standard from 1 April 2019.

- **Statement of Recommended Accounting Practice 7** (effective for annual periods beginning on or after 1 July 2016)

  The latest revision of RAP 7 provides clarification on the existing framework and aligns RAP 7 more closely with Singapore Financial Reporting Standards.

  The Group will apply the recommended accounting practice from 1 April 2017.

**28. EVENTS OCCURRING AFTER STATEMENT OF FINANCIAL POSITION DATE**

Subsequent to the statement of financial position date, the Manager announced a distribution of 2.88 cents per unit for the period from 1 January 2017 to 31 March 2017.

**29. AUTHORISATION OF THE FINANCIAL STATEMENTS**

The financial statements were authorised for issue by the Manager and the Trustee on 24 April 2017.

# STATISTICS OF **UNITHOLDINGS**

As at 31 May 2017

### ISSUED AND FULLY PAID UNITS

1,802,447,435 units (voting rights: one vote per unit)

Market Capitalisation: S$3,289,466,568.87 (based on closing price of S$1.825 per unit on 31 May 2017)

### DISTRIBUTION OF UNITHOLDINGS

| SIZE OF UNITHOLDINGS | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|---|---|---|---|---|
| 1 – 99 | 454 | 1.74 | 20,354 | 0.00 |
| 100 – 1,000 | 6,802 | 26.05 | 6,484,041 | 0.36 |
| 1,001 – 10,000 | 15,492 | 59.33 | 57,927,974 | 3.21 |
| 10,001 – 1,000,000 | 3,338 | 12.78 | 133,463,686 | 7.41 |
| 1,000,001 and above | 27 | 0.10 | 1,604,551,380 | 89.02 |
| **TOTAL** | **26,113** | **100.00** | **1,802,447,435** | **100.00** |

### LOCATION OF UNITHOLDERS

| COUNTRY | NO. OF UNITHOLDERS | % | NO. OF UNITS | % |
|---|---|---|---|---|
| SINGAPORE | 25,651 | 98.23 | 1,794,081,026 | 99.54 |
| MALAYSIA | 314 | 1.20 | 5,629,796 | 0.31 |
| OTHERS | 148 | 0.57 | 2,736,613 | 0.15 |
| **TOTAL** | **26,113** | **100.00** | **1,802,447,435** | **100.00** |

### TWENTY LARGEST UNITHOLDERS

| NO. | NAME | NO. OF UNITS | % |
|---|---|---|---|
| 1. | Mapletree Dextra Pte. Ltd. | 608,398,214 | 33.75 |
| 2. | Citibank Nominees Singapore Pte Ltd | 321,840,878 | 17.86 |
| 3. | DBS Nominees (Private) Limited | 222,197,620 | 12.33 |
| 4. | HSBC (Singapore) Nominees Pte Ltd | 180,987,777 | 10.04 |
| 5. | DBSN Services Pte. Ltd. | 95,281,070 | 5.29 |
| 6. | Raffles Nominees (Pte.) Limited | 90,551,632 | 5.02 |
| 7. | United Overseas Bank Nominees (Private) Limited | 21,259,787 | 1.18 |
| 8. | DB Nominees (Singapore) Pte Ltd | 12,223,012 | 0.68 |
| 9. | Mapletree Industrial Trust Management Ltd. | 9,024,858 | 0.50 |
| 10. | DBS Vickers Securities (Singapore) Pte Ltd | 5,339,298 | 0.30 |
| 11. | OCBC Securities Private Limited | 4,424,060 | 0.24 |
| 12. | Morgan Stanley Asia (Singapore) Securities Pte Ltd | 4,160,136 | 0.23 |
| 13. | BNP Paribas Nominees Singapore Pte. Ltd. | 3,708,987 | 0.21 |
| 14. | BNP Paribas Securities Services | 3,507,887 | 0.19 |
| 15. | UOB Kay Hian Private Limited | 2,551,305 | 0.14 |
| 16. | OCBC Nominees Singapore Private Limited | 2,517,228 | 0.14 |
| 17. | Merrill Lynch (Singapore) Pte Ltd | 2,475,673 | 0.14 |
| 18. | Citibank Consumer Nominees Pte Ltd | 2,438,109 | 0.13 |
| 19. | Citigroup Global Markets Singapore Securities Pte. Ltd. | 1,921,897 | 0.11 |
| 20. | Maybank Kim Eng Securities Pte. Ltd. | 1,506,597 | 0.08 |
| | **TOTAL** | **1,596,316,025** | **88.56** |

# STATISTICS OF
# UNITHOLDINGS

As at 31 May 2017

**SUBSTANTIAL UNITHOLDERS AS AT 31 MAY 2017**

| NO. | NAME OF COMPANY | DIRECT INTEREST | DEEMED INTEREST | % OF TOTAL ISSUED CAPITAL |
|---|---|---|---|---|
| 1. | Temasek Holdings (Private) Limited (1) | – | 622,097,646 | 34.51 |
| 2. | Fullerton Management Pte Ltd (2) | – | 617,423,072 | 34.25 |
| 3. | Mapletree Investments Pte Ltd (2) | – | 617,423,072 | 34.25 |
| 4. | Mapletree Dextra Pte. Ltd. | 608,398,214 | – | 33.75 |
| 5. | Schroders plc (3) | – | 141,421,327 | 7.85 |

**Notes:**

(1) Temasek Holdings (Private) Limited ("Temasek") is deemed to be interested in the 608,398,214 units held by Mapletree Dextra Pte. Ltd. ("MDPL") and 9,024,858 units held by Mapletree Industrial Trust Management Ltd. ("MITM") in which Mapletree Investments Pte Ltd ("MIPL") has a deemed interest, and 4,674,574 units in which Temasek's associated company has direct or deemed interest. MDPL and MITM are wholly-owned subsidiaries of MIPL which in turn is a wholly-owned subsidiary of Fullerton Management Pte Ltd. Fullerton Management Pte Ltd is a wholly-owned subsidiary of Temasek.

(2) MIPL as holding company of MDPL and MITM, is deemed to be interested in the 617,423,072 units in which MDPL and MITM have an interest. Fullerton Management Pte Ltd, through its wholly-owned subsidiary MIPL, is deemed to be interested in the 608,398,214 units and 9,024,858 units held by MDPL and MITM respectively.

(3) Schroders plc is deemed to be interested in the 141,421,327 units held on behalf of clients as Investment Managers.

**UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2017**

| NO. | NAME | DIRECT INTEREST | DEEMED INTEREST | % OF TOTAL ISSUED CAPITAL |
|---|---|---|---|---|
| 1. | Wong Meng Meng | 268,000 | – | 0.01 |
| 2. | Soo Nam Chow | – | 432,000 | 0.02 |
| 3. | John Koh Tiong Lu | – | 600,720 | 0.03 |
| 4. | Seah Choo Meng | 272,205 | 25,192 | 0.01 |
| 5. | Wee Joo Yeow | 540,000 | – | 0.02 |
| 6. | Mary Yeo Chor Gek | – | – | – |
| 7. | Hiew Yoon Khong | 729,000 | 2,710,000 | 0.19 |
| 8. | Wong Mun Hoong | – | – | – |
| 9. | Tham Kuo Wei | 544,418 | – | 0.03 |

**FREE FLOAT**

Based on the information made available to the Manager as at 31 May 2017, approximately 57.30% of the units in MIT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

# INTERESTED
# PERSON TRANSACTIONS

For the financial year ended 31 March 2017

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the SGX-ST and the Property Funds Appendix (excluding transactions of less than S$100,000 each) are as follows:

| Name of Interested Persons | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000 | Aggregate value of all interested person transactions conducted under the general mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000 |
|---|---|---|
| **Mapletree Investments Pte Ltd and its subsidiaries** | | |
| – Manager's management fees | 27,699 | – |
| – Property and lease management fees | 10,217 | – |
| – Marketing commission | 4,901 | – |
| – Development management fees | 2,310 | – |
| – Project management fees | 705 | – |
| **DBS Trustee Limited** | | |
| – Trustee's fees | 521 | – |
| **Temasek Holdings (Private) Limited and its related companies** | | |
| – Lease related income | 92,746[1] | – |
| – Operating expenses | 181 | – |
| – Development related works | 125 | – |

Footnote:

1 Includes the lease novation from Tata Communications International Pte. Ltd. to STT Tai Seng Pte. Ltd. at 35 Tai Seng Street of approximately S$92.2 million as announced on 13 February 2017. The lease novation is from 13 February 2017 to 31 May 2025.

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and/or accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no additional interested person transactions (excluding transactions of less than S$100,000 each) entered into by MIT Group that involved the interests of the CEO or Director of the Manager, or any controlling Unitholder of the Trust, during the financial year under review.

As set out in MIT's Prospectus dated 12 October 2010, fees and charges payable by MIT to the Manager under the Trust Deed and to the Property Manager under the Property Management Agreement are not subject to Rule 905 and Rule 906 of the Listing Manual. The Property Management Agreement includes an extension of term and the Property Management Agreement will not be subject to Rule 905 and Rule 906 of the Listing Manual during the extension term.

MIT Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any interested person transactions.

Please also see Significant Related Party Transactions in Note 24 to the Financial Statements.

# NOTICE OF
# ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 7th Annual General Meeting of the holders of units of Mapletree Industrial Trust ("**MIT**", and the holders of units of MIT, "**Unitholders**") will be held at 2.30 p.m. on 18 July 2017 (Tuesday), at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438 to transact the following businesses:

**(A) AS ORDINARY BUSINESS**

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of MIT (the "**Trustee**"), the Statement by Mapletree Industrial Trust Management Ltd., as manager of MIT (the "**Manager**"), and the Audited Financial Statements of MIT for the financial year ended 31 March 2017 and the Auditor's Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint PricewaterhouseCoopers LLP as the Auditor of MIT to hold office until the conclusion of the next Annual General Meeting of MIT, and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

**(B) AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. That approval be and is hereby given to the Manager, to

(a) (i) issue units in MIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting MIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of MIT or (ii) the date by which the next Annual General Meeting of MIT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of MIT to give effect to the authority conferred by this Resolution.

*(Please see Explanatory Note)* **(Ordinary Resolution 3)**

BY ORDER OF THE BOARD
**Mapletree Industrial Trust Management Ltd.**
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

**Wan Kwong Weng**
Joint Company Secretary

Singapore
29 June 2017

# NOTICE OF
# ANNUAL GENERAL MEETING

**Notes:**

1. A Unitholder who is not a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 15 July 2017 being 72 hours before the time fixed for the Annual General Meeting.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

# NOTICE OF
# ANNUAL GENERAL MEETING

**Explanatory Note:**

***Ordinary Resolution 3***

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until (i) the conclusion of the next Annual General Meeting of MIT or (ii) the date by which the next Annual General Meeting of MIT is required by the applicable regulations to be held, whichever is the earlier, unless such authority is earlier revoked or varied by the Unitholders in a general meeting, to issue Units and to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding fifty per cent. (50%) of the total number of issued Units with a sub-limit of twenty per cent. (20%) for issues other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time the Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations, in such instances, the Manager will then obtain the approval of Unitholders accordingly.

# MAPLETREE INDUSTRIAL TRUST

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

# PROXY FORM

## 7TH ANNUAL GENERAL MEETING

**IMPORTANT**

1. A Relevant Intermediary may appoint more than one proxy to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units of Mapletree Industrial Trust, this Report to Unitholders is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION only.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

**Personal data privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), a Unitholder of Mapletree Industrial Trust accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 June 2017.

I/We ______________________________ (Name(s) and NRIC/Passport/Company Registration Number(s)) of ______________________________ (Address)

being a Unitholder/Unitholders of Mapletree Industrial Trust ("**MIT**"), hereby appoint:

| Name | Address | NRIC/Passport Number | Proportion of Unitholdings | |
|---|---|---|---|---|
| | | | No. of Units | % |
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/Passport Number | Proportion of Unitholdings | |
|---|---|---|---|---|
| | | | No. of Units | % |
| | | | | |

or, both of whom failing, the Chairman of the 7th Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the 7th Annual General Meeting of MIT to be held at 2.30 p.m. on 18 July 2017 (Tuesday), at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the 7th Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the 7th Annual General Meeting.

| No. | Ordinary Resolutions | For * | Against * |
|---|---|---|---|
| | **ORDINARY BUSINESS** | | |
| 1. | To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of MIT for the financial year ended 31 March 2017 and the Auditor's Report thereon. | | |
| 2. | To re-appoint PricewaterhouseCoopers LLP as the Auditor of MIT and to authorise the Manager to fix the Auditor's remuneration. | | |
| | **SPECIAL BUSINESS** | | |
| 3. | To authorise the Manager to issue Units and to make or grant convertible instruments. | | |

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ______________ 2017

| Total number of Units held |
|---|
| |

______________________________

Signature(s) of Unitholder(s) or Common Seal of Corporate Unitholder

Glue all sides firmly.

Glue all sides firmly.

1st fold (this flap is for sealing)

Do not staple. Glue all sides firmly.

Postage will be paid by addressee. For posting in Singapore only.

**BUSINESS REPLY SERVICE**
**PERMIT NO. 08675**

**The Company Secretary**
**MAPLETREE INDUSTRIAL TRUST MANAGEMENT LTD.**
(As Manager of Mapletree Industrial Trust)
c/o BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

2nd fold

**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to Proxy Form**

1. A unitholder of MIT ("**Unitholder**") who is not a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the Proxy Form (defined below) the proxy, or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A Unitholder should insert the total number of Units held in the Proxy Form (defined below). If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of MIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.
4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 15 July 2017, being 72 hours before the time set for the Annual General Meeting.
5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Annual General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Annual General Meeting.
6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the Annual General Meeting and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.