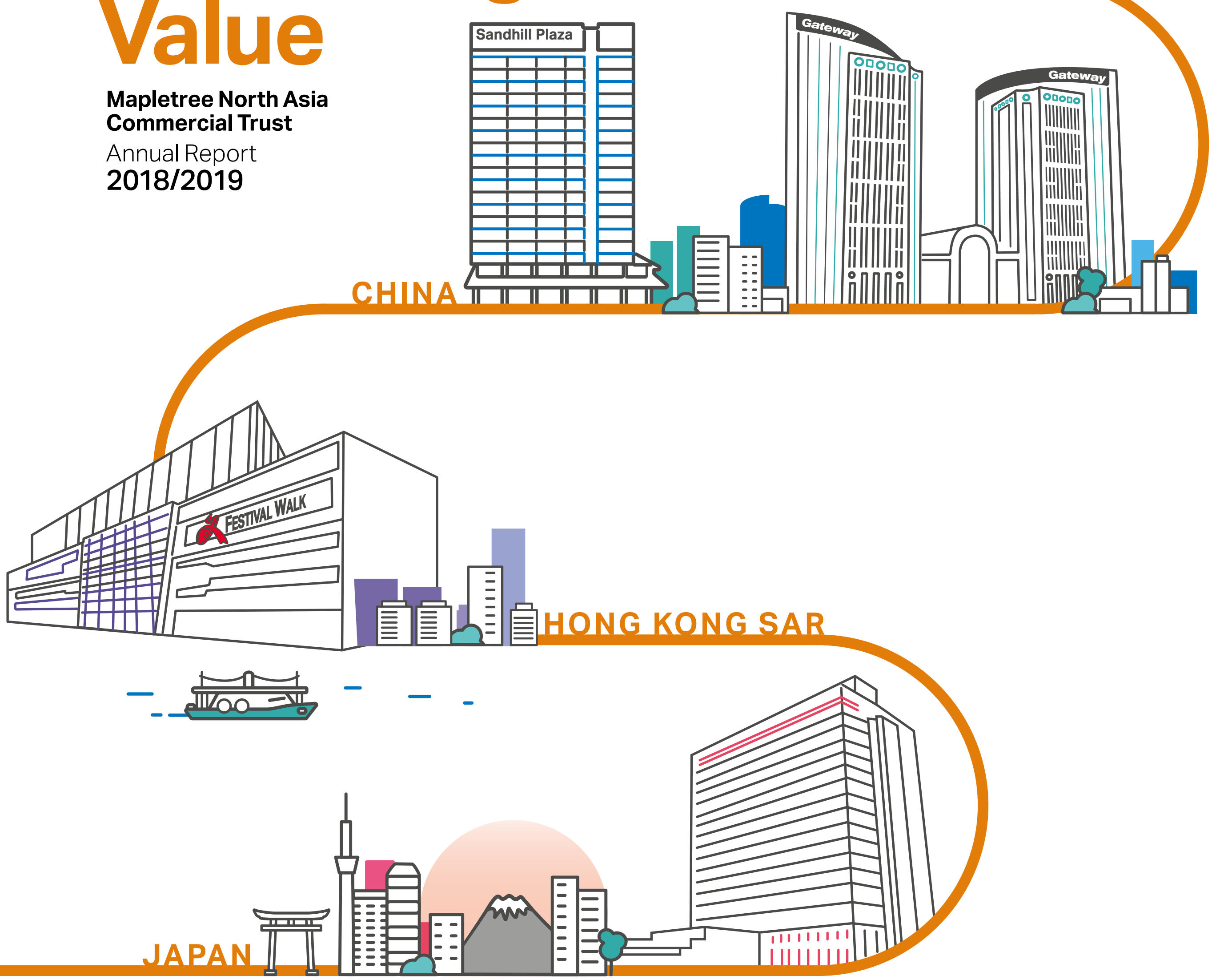
Extending Reach Enhancing Value

Mapletree North Asia Commercial Trust

Annual Report
2018/2019



mapletree
north asia commercial

About Mapletree North Asia Commercial Trust[1]

Vision

To be a leading commercial REIT, by portfolio value and returns, comprising quality assets in North Asia.

Mission

- To deliver regular and stable returns to Unitholders and to achieve long-term sustainable growth in DPU.
- To be the landlord of choice for our tenants and be committed to the delivery of quality products and services.
- To acquire high-quality assets that are yield accretive.

Corporate Profile

Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 7 March 2013, Mapletree North Asia Commercial Trust ("MNACT") is the first real estate investment trust ("REIT") that offers investors the opportunity to invest in best-in-class commercial properties situated in prime locations in China, in Hong Kong SAR[2] and in Japan. MNACT is also the fourth REIT sponsored by Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"), a leading real estate development, investment, capital and property management company headquartered in Singapore. It is managed by Mapletree North Asia Commercial Trust Management Ltd.[3] ("MNACTM", or "the Manager"), a wholly-owned subsidiary of MIPL. As of 31 March 2019, MNACT has a market capitalisation of approximately S$4.2 billion.

MNACT's portfolio comprises nine properties in China, in Hong Kong SAR and in Japan. As of 31 March 2019, they cover a lettable area of approximately 4.2 million square feet, with a combined valuation of S$7.6 billion[4].

1 Formerly known as Mapletree Greater China Commercial Trust. Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Change of Name of Mapletree Greater China Commercial Trust and the Manager".
2 Hong Kong SAR refers to the Hong Kong Special Administrative Region ("SAR").
3 Formerly known as Mapletree Greater China Commercial Trust Management Ltd.
4 The valuations on Festival Walk, Gateway Plaza and Sandhill Plaza were carried out by CBRE Limited as of 31 March 2019 and the valuations on the Japan Properties were carried out by Cushman & Wakefield K.K. as of 31 March 2019.

Extending Reach Enhancing Value

Amidst challenging market conditions and increasing global economic uncertainty, MNACT's acquisition of the Japan Properties in May 2018 has paved the way for us to extend our reach into the larger North Asia market, and better provide income and geographical diversification within the portfolio. The Manager will continue to capture growth by identifying accretive opportunities, together with proactive investment, asset and capital management to enhance the portfolio value. With our high-quality assets strategically located in China, in Hong Kong SAR and in Japan, we are charting a sustainable course to provide balanced and long-term returns for our Unitholders.

Beijing

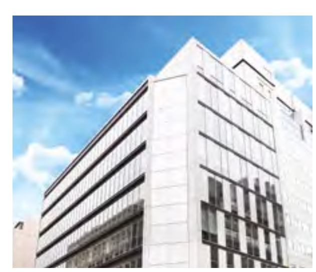
Gateway Plaza
A premier Grade-A office building with a podium area

Tokyo

IXINAL Monzen-nakacho Building*
A five-storey office building located in Koto-ku

Yokohama

ABAS Shin-Yokohama Building*
A nine-storey office building with two basement levels, located in Kohoku-ku

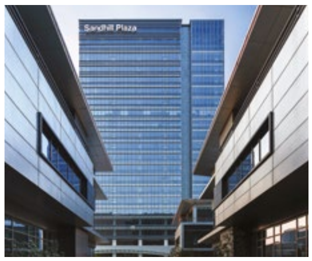


Hong Kong SAR

Festival Walk
A landmark territorial retail mall with an office component

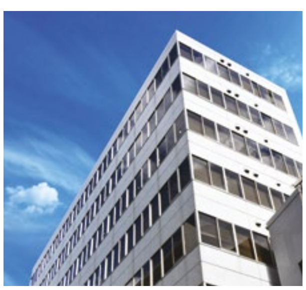
Shanghai

Sandhill Plaza
A premium quality business park development in Zhangjiang Hi-tech Park, Pudong



Tokyo

Higashi-nihonbashi 1-chome Building*
An eight-storey office building located in Chuo-ku



Tokyo

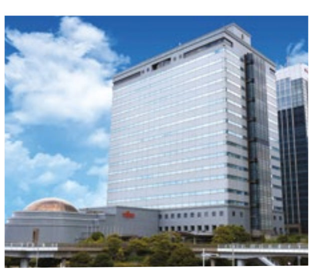
TS Ikebukuro Building*
A nine-storey office building located in Toshima-ku

Chiba

SII Makuhari Building*
A 26-storey office building with a basement level, located in Mihama-ku

Chiba

Fujitsu Makuhari Building*
A 21-storey office building located in Mihama-ku



(*collectively known as the "Japan Properties")

Contents

OVERVIEW

PERFORMANCE

GOVERNANCE & SUSTAINABILITY

FINANCIALS & OTHERS

ONLINE ANNUAL REPORT

As part of the Manager's environmental conservation efforts, only limited copies of MNACT's annual report are printed. A PDF version of the annual report is available for download from **www.mapletreenorthasiacommercialtrust.com**

Any discrepancies in the figures and percentages within the tables and charts are due to rounding. Where applicable, these are rounded to one decimal place.

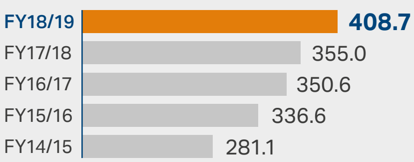
Financial Highlights

MNACT's improved performance in FY18/19 was mainly attributable to the addition of the Japan Properties, acquired in May 2018, and the increased contribution from the existing properties. The Manager's prudent capital management efforts also helped to mitigate the impact of interest rate increases on financing cost and limit foreign currency exposure on distributions, thereby maintaining a stable return to our Unitholders.

Gross Revenue (S$M)

S$408.7M

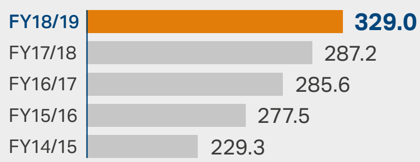
15.1% Year-on-year



Net Property Income (S$M)

S$329.0M

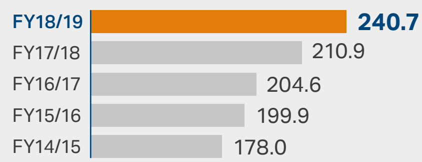
14.6% Year-on-year



Distributable Income ("DI") (S$M)

S$240.7M

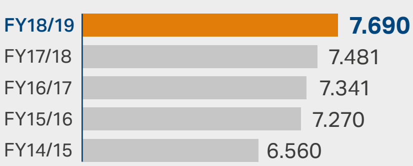
14.1% Year-on-year



Distribution per Unit ("DPU")[1] (cents)

7.690cents

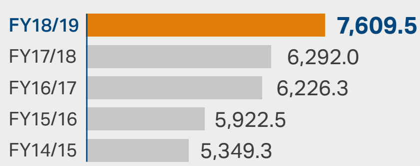
2.8% Year-on-year



Investment Properties (S$M)

S$7,609.5M

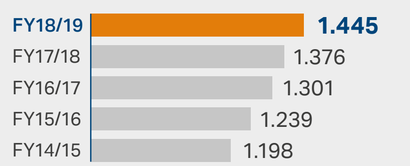
20.9% Year-on-year



Net Asset Value per Unit (S$)

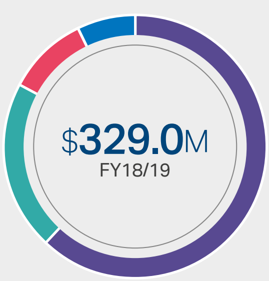
S$1.445

5.0% Year-on-year



Contribution to Net Property Income

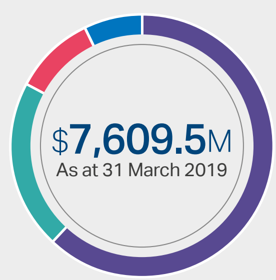
(S$M)



Festival Walk	62.0%
Gateway Plaza	21.0%
Japan Properties[2]	10.0%
Sandhill Plaza	7.0%

Contribution to Portfolio Valuation

(S$M)

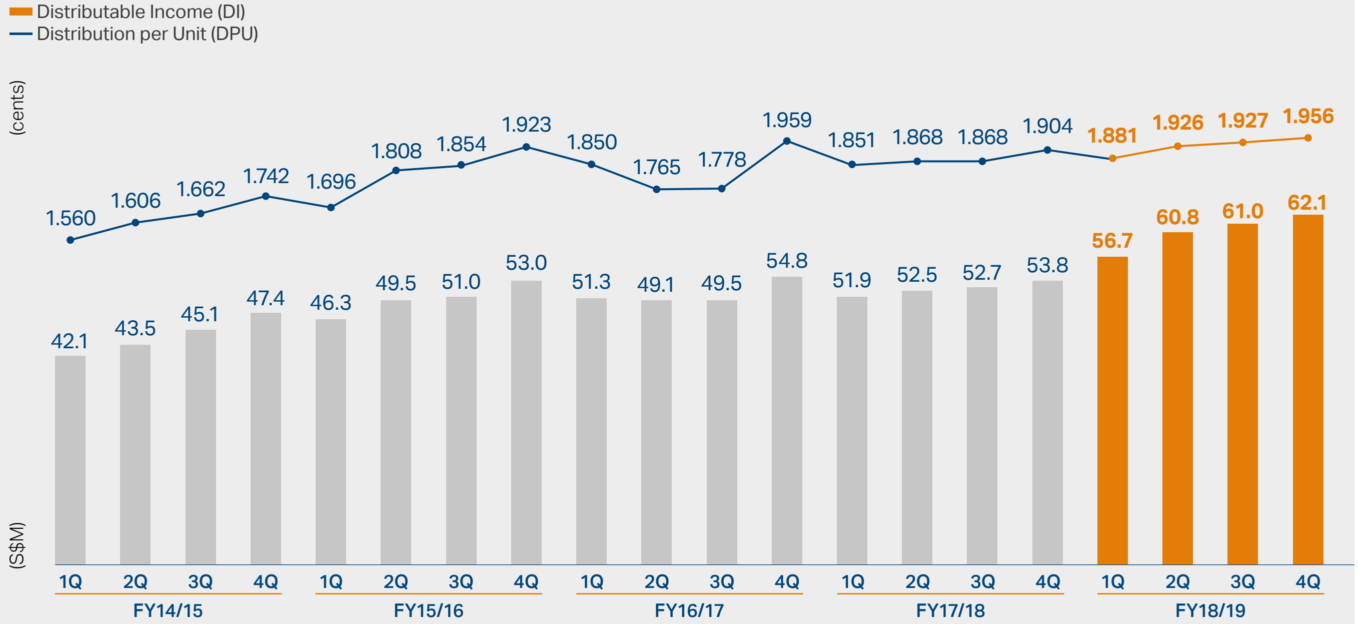


Festival Walk	65.3%
Gateway Plaza	18.2%
Japan Properties	10.3%
Sandhill Plaza	6.2%

1 For FY18/19, full-year DPU is the sum of the 1Q, 2Q, 3Q and 4Q available DPU based on the number of issued units as at the end of the respective quarters. Prior to FY18/19, MNACT's distribution policy was on a semi-annual basis. From FY14/15 to FY17/18, full-year DPU is the sum of the first-half and second-half DPU paid to the Unitholders for the financial year based on the number of issued units as at the end of the respective half-year periods ending 30 September and 31 March. Full-year DPU, as shown in the full-year results announcements from FY14/15 to FY16/17 (FY14/15: 6.543 cents, FY15/16: 7.248 cents, FY16/17: 7.320 cents), was computed based on the income available for distribution for the year over the number of issued units as at the end of the year.

2 Contribution from the Japan Properties was from 25 May 2018, following the completion of the acquisition.

Five-year Quarterly DI and DPU[1]



Statement of Financial Position Highlights (S$M)

As at 31 March	2015	2016	2017	2018	2019
Total Assets	5,488.1	6,153.5	6,528.9	6,522.7	**7,820.4**
Total Borrowings	1,984.0	2,422.3	2,556.2	2,361.1	**2,867.9**
Net Assets Attributable to Unitholders	3,260.2	3,416.2	3,636.3	3,888.8	**4,585.5**[2]

Key Financial Indicators

As at 31 March	2015	2016	2017	2018	2019
Distribution Yield[3] for the Financial Year (%)	6.3	7.6	7.2	6.5	**5.8**
Aggregate Leverage Ratio[4] (%)	36.2	39.5	39.2	36.2	**36.6**
Average Term to Maturity for Debt (years)	2.75	3.01	3.73	3.43	**3.70**
Effective Interest Rate for the Financial Year (% per annum)	1.79	2.43	2.72	2.72	**2.47**
Interest Cover Ratio[5] for the Financial Year (times)	5.0	3.9	3.6	3.9	**4.2**
Percentage of Debt with Fixed Interest Cost (%)	87	77	71	78	**86**
Unencumbered Assets as % of Total Assets (%)	100	100	100	100	**90**[6]

1 DPU per quarter is calculated based on the distributable income for the quarter over the number of issued units as at the end of the quarter. The reported number of units in issue as at the end of each quarter does not include the payment of the Manager's base fee and property management fees for Mapletree North Asia Property Management Limited (the "Property Manager") (collectively referred to as "Fees") in units for the quarter. The payment of Fees in units are issued in the months of August, November, February and May for 1Q, 2Q, 3Q and 4Q respectively, and these units issued are included in the computation of the DPU payable (on a quarterly basis) for the following quarter. Please refer to pages 140 to 141 in the Notes to the Financial Statements section in this Annual Report for more information on the Manager's base fee and the Property Manager's management fees respectively.

2 MNACT holds a 98.47% effective interest in the Japan Properties. The net assets attributable to Unitholders as of 31 March 2019 exclude the non-controlling interests of 1.53% held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

3 Percentage of full-year available DPU over closing unit price for the financial year.

4 In accordance with Property Funds Guidelines, the leverage ratio is aggregated on a proportionate basis based on MNACT's share of both Japanese Yen ("JPY") onshore borrowings and total assets attributed to the Japan Properties.

5 Interest cover ratio is calculated based on profit before income tax not taking into account net finance costs, foreign exchange differences, depreciation and changes in fair value of derivatives and investment properties, and over net finance costs.

6 JPY onshore borrowings are secured against the Japan Properties.

Portfolio Highlights
(For FY18/19)

Improving Value

Festival Walk

Hong Kong SAR

Occupancy Rate
(as of 31 March 2019)

100%

Rental Reversion[2]
for FY18/19

+28% (retail) **+15%** (office)

Valuation[3]
(as of 31 March 2019)

10.0% Year-on-year[4]

S$4,967M

Gateway Plaza

Beijing, China

Occupancy Rate
(as of 31 March 2019)

99.0%

Rental Reversion
for FY18/19

+2%

Valuation
(as of 31 March 2019)

3.4% Year-on-year

S$1,385M

Sandhill Plaza

Shanghai, China

Occupancy Rate
(as of 31 March 2019)

99.3%

Rental Reversion
for FY18/19

+15%

Valuation
(as of 31 March 2019)

8.4% Year-on-year

S$475M

Japan Properties[1]

Greater Tokyo, Japan

Occupancy Rate
(as of 31 March 2019)

100%

Rental Reversion
for FY18/19

+6%

Valuation
(as of 31 March 2019)

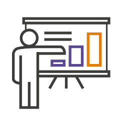
1.7%[5]

S$783M

Engaging Stakeholders

Attracted
41.3M shoppers
to Festival Walk
in FY18/19

Community of
81,272 users
on Festival Walk's social media platforms as of end March 2019, 15.2% more compared to end March 2018



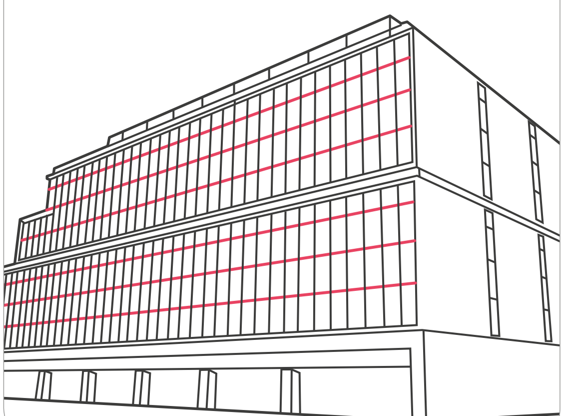
Close to
300 Unitholders attended
MNACT's Annual General Meeting held in FY18/19

1 While MNACT holds a 98.47% effective interest in the Japan Properties, all property and financial-related figures stated in this Annual Report for MNACT's portfolio are based on 100.0% effective interest in the Japan Properties (which includes the 1.53% effective interest in the Japan Properties held by MIJ) unless otherwise stated.
2 Rental reversion for each asset is computed based on the weighted average effective base rental rate of leases that were renewed or re-let vs. the weighted average effective base rental rate of expired leases, over the lease term. The computation of rental reversion excludes turnover rent and renewed/re-let leases with lease periods less than or equal to one year.
3 Please refer to page 21 in the Financial Review and Capital Management section of this Annual Report on the appointed valuers, valuation methodologies used and exchange rates for each asset.
4 Year-on-year as compared to 31 March 2018.
5 As compared to acquisition price on 25 May 2018 of JPY63,304 million (S$770.0 million).

Extending Reach into the Attractive Greater Tokyo Office Market

Completed acquisition of the Japan Properties in May 2018 at a total acquisition cost of

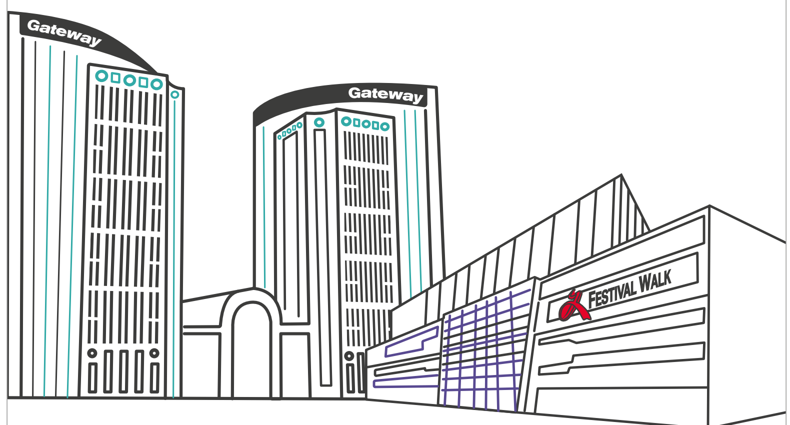
S$777.5M[1]



Enhancing Assets

Upgrading of toilets and common corridors underway at Gateway Plaza

Commenced refurbishment of office washrooms at Festival Walk



(For more information, please refer to page 31 (for Festival Walk) and page 39 (for Gateway Plaza) in the Property Portfolio Summary and Review section of this Annual Report)

Continuing Sustainable Practices

Green Building
Sandhill Plaza obtained the Certificate of Green Building Label (2 star) in July 2018

Employee Engagement
Held town hall meetings in Beijing, Hong Kong SAR and Shanghai involving
85
of the Manager's employees in FY18/19

Health and Safety
ZERO
Lost-time injuries incurred by the Manager's employees at all the assets during FY18/19

Local Communities
16
Corporate social responsibility activities and venue sponsorships for charitable causes in FY18/19

1 The total acquisition cost comprises the Acquisition Price of JPY63,304 million (S$770.0 million), the acquisition fee paid to the Manager of S$5.7 million as well as acquisition-related transaction costs. Please refer to MNACT's SGX-ST Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan".

Letter to Unitholders

ENHANCING VALUE

Mr. Paul Ma Kah Woh
Non-Executive Chairman and Director

Ms. Cindy Chow Pei Pei
Executive Director and Chief Executive Officer

"Over the six-year period, the Manager has delivered a cumulative DPU of 42.286 cents to Unitholders and a total return of 87.4%."

Dear Unitholders,

On behalf of the Board of Directors of the Manager, we are pleased to present MNACT's Annual Report to Unitholders for the financial year from 1 April 2018 to 31 March 2019 ("FY18/19").

Extending Reach, Enhancing Value

FY18/19 marked another milestone year for MNACT. The Manager completed the acquisition of six freehold office buildings in Greater Tokyo (the "Japan Properties") on 25 May 2018, expanding MNACT's footprint in North Asia so as to provide Unitholders with a more diversified and stable income stream.

The contribution from the Japan Properties as well as the higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza led to a 15.1% increase in portfolio gross revenue[1] to S$408.7 million and a 14.6% increase in net property income to S$329.0 million for FY18/19 compared to FY17/18. Distributable income for FY18/19 also rose 14.1% year-on-year to S$240.7 million. On an enlarged total unit base[2], FY18/19 DPU of 7.690 cents[3] was 2.8% higher compared to the last financial year. The DPU of 7.690 cents translated to a distribution yield of 5.8% based on MNACT's closing unit price of S$1.32 on 29 March 2019 (last trading day of the financial year).

The acquisition of the Japan Properties, fair value gains of all the properties, and net translation gains (against Singapore Dollar ("SGD")) from the stronger Hong Kong Dollar ("HKD") and Japanese Yen ("JPY"), partially offset by the weaker Renminbi ("RMB"), increased the portfolio value[4] from S$6,292.0 million as of 31 March 2018 to S$7,609.5 million as of 31 March 2019. Correspondingly, Net Asset Value[5] ("NAV") per unit grew from S$1.376 as of 31 March 2018 to S$1.445 as of 31 March 2019.

1 Revenue for Gateway Plaza and Sandhill Plaza in China is presented net of value added tax. Revenue for the Japan Properties is presented net of consumption tax.
2 The enlarged unit base was mainly due to the private placement to partially finance the acquisition of the Japan Properties. Refer to the SGX-ST Announcement dated 26 April 2018 titled "Results of the Private Placement and Pricing of New Units under the Private Placement".
3 DPU for FY18/19 is the sum of the 1Q, 2Q, 3Q and 4Q available DPU. The DPU for each quarter is computed based on the income available for distribution for that quarter over the number of issued units as of the end of that quarter.
4 The valuations on Festival Walk, Gateway Plaza and Sandhill Plaza were carried out by CBRE Limited as of 31 March 2019, and the valuations on the Japan Properties were carried out by Cushman & Wakefield K.K. as of 31 March 2019.
5 After taking into account distribution payments to Unitholders on 27 May 2019 and 25 May 2018, NAV per unit would be S$1.425 and S$1.338 respectively.

Since MNACT's Initial Public Offering ("IPO") in March 2013, the Manager has consistently delivered stable distributions to the Unitholders through proactive asset and capital management of the portfolio, and acquisition growth with the purchase of Sandhill Plaza in June 2015 and the Japan Properties in May 2018. Over the six-year period, the Manager has delivered a cumulative DPU[1] of 42.286 cents to Unitholders and a total return[2] of 87.4%.

A Resilient Portfolio

The global macroeconomic environment during FY18/19 was uncertain and volatile due to the ongoing trade tensions and a slowing global economy. Against this backdrop, the Manager remained disciplined in proactively managing the assets and leases, resulting in improved operational performances across the portfolio. As of 31 March 2019, MNACT registered a higher portfolio occupancy of 99.6%, compared to 98.5% a year ago. Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties recorded positive rental reversions for FY18/19, reflecting resilient demand for space from existing and new tenants.

Since its opening in 1998, Festival Walk has maintained its popularity as a lifestyle and retail destination in Hong Kong SAR. Twenty years on, it attracted 41.3 million shoppers and received retail sales of HKD5,326 million in FY18/19. To mark its 20th anniversary, Festival Walk held a month-long celebration during the Christmas season featuring a 13-metre tall giant birthday cake decoration as well as an exciting lineup of promotional events and programmes. The events including a grand lucky draw, Christmas parades and performances, and gift redemptions were well received by shoppers. A gala dinner for tenants and business partners was held in appreciation of their support over the years.

Building on Festival Walk's comprehensive offerings, the Manager focused on introducing more exciting and new brands to the mall during the year. The diverse range of brands are from the apparel, athleisure, children/infant apparel and products, cosmetics and skincare as well as food and beverage ("F&B") sectors. To draw footfall, the year-long campaign of activities include festive openings by celebrities, movie-themed roadshows, product launches, car shows as well as the first e-sports gaming event jointly organised with Alisports.

Active leasing strategies were also adopted at Gateway Plaza, Sandhill Plaza and the Japan Properties. In addition to maintaining regular dialogue with existing and new tenants to understand their needs and requirements, we continued to engage tenants early to secure renewals and new lettings. Asset enhancement initiatives to increase the appeal of the assets were also carried out during the year. For the newly acquired Japan Properties, the Manager focused efforts on driving revenue performance and cost efficiency, which gave rise to a positive average rental reversion and improvement to the average net property income margin.

Prudent Capital Management

Prudent capital management remains one of the key strategies of the Manager to mitigate MNACT's exposure to interest rate and foreign currency volatilities, whilst maintaining a healthy balance sheet and sufficient liquidity.

As of 31 March 2019, MNACT's aggregate leverage ratio[3] was 36.6%, and the effective interest rate for FY18/19 was 2.47% per annum. Average term to maturity for debt was extended from 3.43 years as of 31 March 2018 to 3.70 years as of 31 March 2019. MNACT has less than S$204 million (equivalent to approximately 7% of the total gross debt) refinancing requirement due by March 2020. The interest cover ratio[4] improved from 3.9 times for FY17/18 to 4.2 times for FY18/19.

To mitigate exposure to interest rate volatility, approximately 86% of MNACT's debt was on fixed rates as of 31 March 2019. About 75% of the expected distributable income for the period from 1 April 2019 to 30 September 2019 ("1H FY19/20") has been hedged into SGD.

Sustainability Reporting

As we continue to make progress in developing MNACT into a leading commercial REIT with properties in North Asia, it is equally important to contribute towards a sustainable future through integrating environmental, social and governance ("ESG") practices into our business operations. The Board works closely with management to identify, manage and monitor material ESG matters relevant to MNACT and its stakeholders. In support of the United Nations' Sustainable Development Goals ("SDGs"), we have mapped the material ESG matters to seven relevant SDGs. The third sustainability report, prepared in accordance to the Global Reporting Initiative's 2016 Standards, outlines the Manager's sustainability practices during the year. Targets for FY19/20 have been set to measure and track the progress of the material ESG matters.

1 Please refer to note 3 on page 6 on DPU for FY18/19. Prior to FY18/19, MNACT's distribution policy was on a semi-annual basis. From FY13/14 (excluding the stub period from 7 to 31 March 2013) to FY17/18, full-year DPU is the sum of the first-half and second-half DPU paid to the Unitholders for the financial year based on the number of issued units as of the end of the respective half-year periods ending 30 September and 31 March.

2 Sum of unit price appreciation and total distribution yield since IPO. Unit price appreciation is based on the opening IPO unit price of S$0.930 on 7 March 2013 and the closing unit price of S$1.320 on 29 March 2019. Total distribution yield is based on: a) sum of first-half and second-half available DPU for the period from FY13/14 (excluding the stub period) to FY17/18 of 34.596 cents; and b) sum of the 1Q, 2Q, 3Q and 4Q available DPU of 7.690 cents for FY18/19, over the opening IPO unit price of S$0.930.

3 Please refer to footnote 4 on page 3 of the Financial Highlights section.

4 Please refer to footnote 5 on page 3 of the Financial Highlights section.

Letter to Unitholders

The opening event to mark Festival Walk's 20th anniversary was graced by Mr. Paul Ma (second from left), Chairman of the Manager, Mr. Michael Kok (first from left), Board of Director of the Manager, and Ms. Sandra Cheng (first from right), General Manager of Festival Walk, together with Hong Kong SAR's celebrity Mr. Sean Lau (second from right).

Outlook

The International Monetary Fund[1] is forecasting a softer global economic growth in 2019 compared to 2018 amid the ongoing trade tensions. The increased stimulus measures by the Chinese government and the cautious stance by the US Federal Reserve on interest rate hikes are expected to mitigate downside risks.

In Hong Kong SAR[2], external uncertainties are expected to continue to affect consumer sentiment in the near term. However, the retail market fundamentals remain intact, supported by a low unemployment rate and inbound tourism. Ideally located above the Kowloon Tong MTR station and well-supported by local shoppers, Festival Walk is expected to deliver a stable performance.

For the Beijing[3] office market, a general softening in leasing demand and weakening tenant affordability are expected to continue. A higher level of new office supply is also expected to enter the market in 2019. Going forward, the confluence of these factors could pose challenges to both rental and occupancy levels at Gateway Plaza.

In Shanghai[4], the government's multiple stimulus policies to support the private sector are expected to underpin demand for business park space in decentralised locations. Sandhill Plaza is expected to deliver a steady performance.

The overall outlook for the Tokyo office market in 2019 remains positive although global economic uncertainties may dampen growth[5]. The Japan Properties are expected to continue to provide a stable income stream on the back of long average lease expiry periods and high average occupancy rates.

For the year ahead, we remain focused on active asset and capital management, and will seek accretive acquisition opportunities to grow MNACT's portfolio.

Acknowledgements

On behalf of the Board, we express our appreciation to Mr. Lok Vi Ming for his guidance and service as Member of the Audit and Risk Committee ("AC") of the Manager. He stepped down as a Member of the AC during the year. He remains as Chairman of the Nominating and Remuneration Committee. At the same time, we welcome Mr. Lawrence Wong Liang Ying who joined the Board as an Independent Non-Executive Director and Member of the AC. A valuable addition to the Board, Mr. Wong brings with him a wealth of experience in the finance and investment sectors.

We would like to take this opportunity to thank our Unitholders, tenants, shoppers and business partners for their confidence and support. We would also like to express our gratitude to our Board of Directors for their invaluable guidance and stewardship. To our management and employees, we appreciate your dedication and look forward to your continued commitment.

Mr. Paul Ma Kah Woh
Non-Executive Chairman and Director

Ms. Cindy Chow Pei Pei
Executive Director and Chief Executive Officer

1 International Monetary Fund, "*World Economic Outlook Update*" (April 2019).
2 Hong Kong SAR's Census and Statistics Department, Press Release on "*Provisional Statistics of Retail Sales for March 2019*" (3 May 2019).
3 Savills, Beijing Office (April 2019).
4 Colliers International, Shanghai Business Parks (April 2019).
5 Savills, Tokyo Office (1Q 2019).

Year in Review

2018

April

Unitholders approved the acquisition of the Japan Properties at the Extraordinary General Meeting held on 24 April 2018.

MNACT's distribution policy was changed to a **quarterly basis** with effect from 1 April 2018.

May

Pursuant to a private placement[1] launched on 25 April 2018, **311,602,000 new units** were issued on 8 May 2018 at a unit price of S$1.06 to raise approximately S$330.3 million to finance partially the acquisition of the Japan Properties.

Following the completion of the acquisition on 25 May 2018,

mapletree greater china commercial → mapletree north asia commercial

- The Manager's name was changed to: Mapletree North Asia Commercial Trust Management Ltd.
- The Property Manager's name was changed to: Mapletree North Asia Property Management Limited

July

MNACT's **5th Annual General Meeting** was held on 18 July 2018.

MNACT was awarded ***'Best Annual Report (Bronze)'*** under the REITs & Business Trusts category at the Singapore Corporate Awards.

October

Mr. Lawrence Wong Liang Ying was appointed as an Independent Non-Executive Director with effect from 1 October 2018.

November

Festival Walk celebrated its 20th year anniversary with a series of month-long promotional events.

Festival Walk was accorded the ***'Digital EX Marketing Awards 2018-Top 10 Malls'*** Award from Metro Finance Radio.

December

Festival Walk was conferred the ***'Mall's Cartoon Character Themed Events Award'*** at the Smart Parents' Choice-Brand Awards 2018.

2019

January

Mr. Lok Vi Ming stepped down as Member of the Audit and Risk Committee of the Manager with effect from 15 January 2019. He remains as Chairman of the Nominating and Remuneration Committee of the Manager.

Mr. Lawrence Wong Liang Ying was appointed as Member of the Audit and Risk Committee with effect from 16 January 2019.

March

Mapletree North Asia Commercial Treasury Company (HKSAR) Limited[2] issued **HKD580 million 8-year 3.65% Fixed Rate Notes due 2027**.

Festival Walk was voted the ***'Top 10 My Favourite Mall'*** at the Apple Daily Best Mall Awards.

1 Please refer to MNACT's SGX-ST Announcement dated 25 April 2018 titled "Launch of Private Placement to Raise Gross Proceeds of Approximately S$325.0 million".

2 A wholly-owned subsidiary of MNACT.

致信托单位持有人之信函

尊敬的信托单位持有人，

我们在此谨代表丰树北亚商业信托管理有限公司董事会，向信托单位持有人提交MNACT 2018年4月1日至2019年3月31日("18/19财政年度")的年度报告。

扩展领域，提升价值

18/19财政年度MNACT再创佳绩。我们于2018年5月25日完成收购坐落于东京，千叶和横滨的六栋永久产权办公楼(即"日本物业")，成功扩展了MNACT的北亚业务，从而为信托单位持有人提供多元化及稳定的收入。

本财政年度的资产组合总营收[1]和净房地产收入与17/18财政年度相比,分别提升15.1%及14.6%,达4.087亿新元与3.290亿新元。这主要归因于日本物业的收入贡献连同又一城、佳程广场和展想广场所取得的较高租金。18/19财政年度的可派发总收入与去年同期相比也相继上升14.1%至2.407亿新元。18/19财政年度的每单位可派发收入在扩大的单位基数[2]上，同比上一财年增长了2.8%至7.690分[3]。按MNACT2019年3月29日(最后交易日)1.320新元的闭市价格计算，每单位可派发收入7.690分是相等于5.8%的汇报率。

随着日本物业的收购、所有资产的公平估值收益，以及因较强劲的港元和日元对新元的净货币兑换收益（升幅被较疲弱的人民币所部分抵消），本信托的资产组合估值[4]从2018年3月31日的62.920亿新元提高至2019年3月31日的76.095亿新元。与此同时，每单位净资产值[5]也从2018年3月31日的1.376新元增加至2019年3月31日的1.445新元。

自MNACT于2013年3月首次公开上市后，我们一直专注于积极管理资产组合和资本，为信托单位持有人实现稳健的回报，并分别于2015年6月和2018年5月通过收购展想广场和日本物业为资产组合带来收购增长。在过去六个财政年度，我们已派发给信托单位持有人的每单位可派发收入[6]累计达到42.286分，总回报率[7]高达87.4%。

“在过去六个财政年度，我们已派发给信托单位持有人的每单位可派发收入累计达到42.286分，总回报率高达87.4%。”

稳健的资产组合

持续的贸易纠纷及全球经济放缓导致18/19财政年度全球宏观经济呈现不明朗和疲弱的局势。尽管如此，经理人仍继续谨慎积极地管理资产组合和租约，使资产组合的营运表现得以提高。与截至2018年3月31日的98.5%相比，截至2019年3月31日的MNACT资产组合出租率增加至99.6%。18/19财政年度又一城、佳程广场、展想广场及日本物业到期租约的平均续租/新租租金均有调升，充分反映了现有和新租户对商业及零售空间的稳健需求。

1998年开业以来，作为生活时尚零售商场的又一城在香港特别行政区一直深受消费者的欢迎。20年后的今天，又一城于18/19财政年度的客流量达4,130万，录得53.260亿港元的租户销售额。开业20周年志庆之际，又一城在2018年圣诞期间举行了为期一个月的欢庆活动，在商场展示了一个13米高的大型生日蛋糕装饰，并举办了一系列精彩的促销活动和节目，如幸运大抽奖、圣诞游行和表演，和礼品兑换。又一城还举办了20周年志庆晚宴以答谢租户和商业伙伴多年来的合作支持。

经理人在本财政年度为又一城带进更多精彩和新颖的品牌，以促进商场的多元化进程。其中包括服装、运动休闲、儿童/婴儿服装和产品、化妆品和护肤品，以及餐饮品牌。为了增加客流量，本财政年度举办的市场推广活动包括艺人参与的佳节开幕典礼、电影主题路演、产品发布会、汽车展览和首度与Alisports携手主办的运动电子游戏活动。

佳程广场、展想广场和日本物业也都采用了积极的租赁策略。除了与现有和新租户保持密切联系以了解他们的需求，我们继续采取提早与租户沟通的措施，以确保有充足时间进行续约和招租工作。此外，我们还进行资产升值工程以提升资产的吸引力。于此同时，经理人专注提高日本物业的收入和成本效益，使平均租金调升率和净资产收益率均有所上升。

1 位于中国的佳程广场和展想广场的收入均以净增值税方式计算。日本物业的收入则以净消费税的形式计算。

2 扩大单位基数主要归因于为收购日本物业而进行部分融资的私募活动。请参阅2018年4月26日的新加坡证券交易所通告"Results of the Private Placement and Pricing of New Units under the Private Placement"。

3 18/19财政年度的每单位可派发收入为第一、第二、第三和第四季度所供每单位可派发收入的总额。每个季度的每单位可派发收入是根据个别季度所供派发的收入除以季度末所发行的单位总数来计算。

4 由世邦魏理仕有限公司于2019年3月31日对又一城、佳程广场和展想广场进行的估值，以及由高纬环球于2019年3月31日对日本物业进行的估值。

5 扣除2019年5月27日和2018年5月25日给信托单位持有人的派发收入后，每单位净资产值分别为1.425新元和1.338新元。

6 有关18/19财政年度的每单位可派发收入，请参阅脚注3。在18/19财政年度之前，MNACT的派发政策是以半年度形式进行。从13/14财政年度（不包括汇报期末段 — 2013年3月7日至31日)至17/18财政年度，根据截至9月30日和3月31日每半年期末所发行的单位数额计算，全年的每单位可派发收入为上半年及下半年已派发给信托单位持有人的每单位可派发收入的总和。

7 上市后单位价格升值和总派发收益合计。单位价格升值是按2013年3月7日0.930新元的上市价和2019年3月29日1.320新元的闭市价计算。总派发收益是按：a) 从13/14财政年度起（不包括汇报期末段）至17/18财政年度期间，上半年及下半年所供派发给信托单位持有人的每单位可派发收入34.596分的总和；以及b) 18/19财政年度之第一、第二、第三和第四季度7.690分的所供每单位可派发收入的总额，除以0.930新元的上市价。

审慎的资本管理

经理人保持一贯审慎的管理资本，在维持稳健的资产负债表和充足的现金流的同时，也缓和MNACT的利率冲击并降低汇率风险。

截至2019年3月31日，MNACT的总资债比率[1]为36.6%，而18/19财政年度的实际利率则为2.47%。债务平均偿还期限从截至2018年3月31日的3.43年延长至截至2019年3月31日的3.70年。MNACT于2020年3月到期的再融资数额低于2.04亿新元（相等于约总债务之7%）。利息覆盖率[2]也从17/18财政年度的3.9倍上扬至18/19财政年度的4.2倍。

为了减轻利率波动的影响，截至2019年3月31日，MNACT约86%债务的利息成本已被固定。2019年4月1日至9月30日（19/20财政年度上半年度）约75%的预期可派发收入已进行套期保值转为新元。

可持续发展报告

在持续发展北亚商业信托事业的同时，我们意识到将环境、社会和企业管治各方面的优良实践贯穿于业务营运中的重要性，并为可持续发展的未来作出贡献。董事会与管理层密切合作，以鉴定、管理和监督相关的环境、社会和企业管治事项。为支持联合国可持续发展目标，我们将重要的环境、社会和企业管治事项与七个可持续发展目标（SDGs）相关联。按照全球报告倡议组织（"Global Reporting Initiative"）2016年标准，MNACT的第三份可持续发展报告概述了我们于本财政年度的可持续发展各项工作。我们也设定了19/20财政年度的绩效目标，以衡量和持续评估我们在各关键的环境、社会和企业管治方面的进展。

前景展望

国际货币基金组织[3]预计全球经济将因持续的贸易纷争而在2019年放缓。然而，中国政府所采取的加强经济刺激措施和美国联邦储备局对利率增长所持的谨慎态度预计有助缓和负面风险。

外在的不明朗因素预计将继续影响香港特别行政区[4]近期的消费市道。尽管如此，受低失业率和入境旅游所支撑，零售市场基本面仍保持平稳。位于九龙塘地铁站上盖的优越位置及受本地消费者支持，又一城预计将有平稳的表现。

北京[5]办公楼市场租赁需求放暖和租户负担能力疲弱的局势预料将持续。更多的新办公楼供应也预计将于2019年面世。纵观以上因素，佳程广场的租金和出租率均将面临挑战。

上海[6]政府实施支持私营企业的多项刺激经济政策，有望能支持对非中心区商业园的租赁需求。展想广场预料将有稳定的表现。

虽然全球经济波动可能会影响东京办公楼市场增长[7]的幅度，但市场对2019年前景仍然保持乐观。日本物业预期会因长平均租期和高平均出租率，而继续提供稳定的收入。

在未来的一年里，我们将继续专注于积极的资产和资本管理，并寻求增值性的收购商机以扩展MNACT的资产组合。

致谢

我们谨代表董事会，向骆维明先生致谢，感谢他作为经理人的审计与风险委员会成员所给予的指引和贡献。他在这一年卸任了审计与风险委员会成员的职务。骆先生将继续担任提名与薪酬委员会主席一职。与此同时，我们欢迎黄良颖先生出任独立非执行董事和审计与风险委员会成员。黄先生在金融和投资界有多年丰富的经验，相信他能为本信托带来不少宝贵的贡献。

我们要籍此机会答谢我们的信托单位持有人、租户、购物者和商业伙伴对我们的信任与支持。我们也想对董事会所给予的宝贵指导和管理表达由衷的谢意。对于我们管理层和员工，我们赞扬诸位的奉献精神，并期待你们持之以恒的辛勤付出。

马家和先生
非执行主席兼董事

周佩佩女士
执行董事兼总裁

1 请参阅财务亮点项目的第3页脚注4。
2 请参阅财务亮点项目的第3页脚注5。
3 国际货币基金组织，《世界经济前景展望》（2019年4月）。
4 香港特区政府统计处，"Provisional Statistics of Retail Sales for March 2019"的新闻稿发布（2019年5月3日）。
5 第一太平戴维斯，《北京办公楼市场》（2019年4月）。
6 高力国际，《上海商业园市场》（2019年4月）。
7 第一太平戴维斯，《东京办公楼市场》（2019年第一季度）。

Strategy

In line with MNACT's corporate vision and mission, the Manager adopts a four-pronged strategy to create sustainable value over the long term.

What We Manage

Retail

Office

Where Our Properties Are

- China
- Hong Kong SAR
- Japan

Who We Engage With

Shoppers, Tenants, Investors, the Trustee[1], Employees, Business Partners, Local Communities

1 DBS Trustee Limited, in its capacity as trustee of MNACT ("Trustee").

What We Do

Our primary source of income is rental income from our properties.

Key Strategies	Objectives
Active Asset Management	**Achieve organic growth in revenue and NPI** • Achieve optimal tenant mix • Introduce innovative retail and marketing concepts • Enhance tenant's experience by ensuring delivery of quality property and customer services • Improve operational efficiency → Progress in FY18/19, refer to the Property Portfolio Summary and Review section on pages 26-43
Active Asset Enhancement	**Improve competitiveness of properties** • Maintain the quality of assets through regular preventive maintenance • Optimise or increase leasable area • Offer improved amenities and facilities • Incorporate energy-efficient and eco-friendly initiatives → Progress in FY18/19, refer to the Property Portfolio Summary and Review section on pages 26-43, and the Sustainability Report section on pages 95-120

Value-Creating Acquisition Growth	**Achieve inorganic growth through acquisition**
	• Invest in a diversified portfolio of income-producing commercial real estate assets in Greater China[1] and in Japan
	• Source from Sponsor's pipeline and/or third-party vendors
	• Adopt a disciplined approach, with focus on the following acquisition criteria:
	  – Yield and DPU accretion
	  – Asset enhancement potential
	  – High-quality building and facilities specifications
	  – Attractive tenant mix and occupancy level
	→ Progress in FY18/19, refer to the Letter to Unitholders on pages 6-8 and the Financial Review and Capital Management section on pages 16-25

Proactive & Prudent Capital and Risk Management	**Maintain a strong balance sheet and ensure sufficient liquidity for working capital and acquisition needs. Implement risk management strategies.** • Actively monitor, manage and balance the cost of debt and debt maturity profile • Diversify sources of funding in debt and equity capital markets • Proactively monitor and undertake hedging strategies to minimise interest rate and foreign currency risks • Regularly review processes and controls, and monitor key risks → Progress in FY18/19, refer to the Financial Review and Capital Management section on pages 16-25, the Risk Management section on pages 72-74, and the Financial Statements on pages 121-192

1 Key markets in China include: Hong Kong SAR and first-tier cities in China (Beijing, Shanghai, Guangzhou and Shenzhen), major urban centres along Beijing-Tianjin corridor, Shanghai-Suzhou-Hangzhou-Nanjing corridor and the Pearl River Delta (including Guangzhou, Shenzhen and Foshan), and growth centres and beneficiaries of the "go-west" policies (Chengdu, Chongqing, Wuhan and Xi'an).

The Value We Create

Increase in Distributable Income of

S$29.7M

in FY18/19 compared to FY17/18

Acquisition of the Japan Properties at

S$777.5M[1]

during FY18/19

Increase in fair value gains of all the properties of

S$465.2M

as of 31 March 2019 compared to 31 March 2018[2]

Total Return of

21.5%[3]

in FY18/19 compared to the total return of 20.0%[4] in FY17/18

1 The total acquisition cost comprises the Acquisition Price of JPY63,304 million (S$770.0 million), the acquisition fee paid to the Manager of S$5.7 million as well as acquisition-related transaction costs. Please refer to MNACT's SGX-ST Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan".

2 For the Japan Properties, the increase in fair value gain as of 31 March 2019 was compared against the Acquisition Price as of 25 May 2018.

3 Sum of unit price appreciation and total distribution yield for FY18/19. Unit price appreciation is based on the opening unit price of S$1.150 on 1 April 2018 and the closing unit price of S$1.320 on 29 March 2019, and total distribution yield is based on the available DPU for FY18/19 of 7.690 cents over the opening unit price on 1 April 2018.

4 Sum of unit price appreciation and total distribution yield for FY17/18. Unit price appreciation is based on the opening unit price of S$1.020 on 1 April 2017 and the closing unit price of S$1.150 on 29 March 2018, and total distribution yield is based on the sum of first-half and second-half available DPU for FY17/18 of 7.481 cents over the opening unit price on 1 April 2017.

What Sets Us Apart?

Our focus on commercial real estate

(including real estate used predominantly for retail and/or office purposes) in North Asia

We are the first Singapore REIT with fee structure

aligned with investors' interest where management fee structure is based on distributable income and DPU growth

Our experienced Sponsor

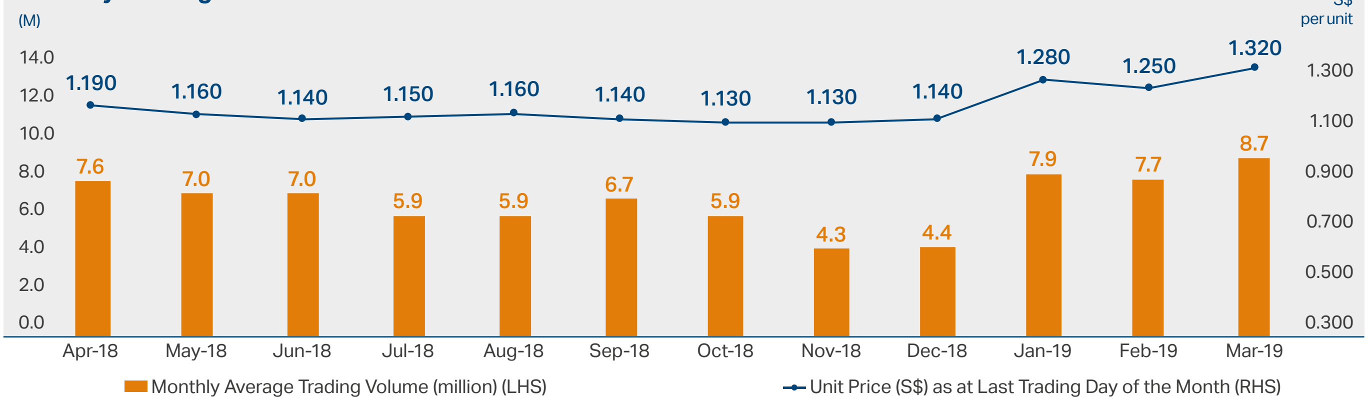
who owns and manages S$55.7 billion of real estate assets in Asia Pacific, Europe, the United Kingdom (UK) and the United States (US) as of 31 March 2019

Unit Price Performance

FY18/19 was a year of heightened volatility for the equities market with uncertainty over global economic growth, higher interest rates and ongoing trade tensions. However, investor sentiment turned more upbeat towards the first quarter of 2019, buoyed by a combination of factors including a more dovish stance from the US Federal Reserve on interest rate hikes for 2019 and the implementation of stimulus measures in China.

During the year, MNACT's closing unit price reached a historical high of S$1.330 on 28 March 2019 and closed at S$1.320 on 29 March 2019 (last trading day of the year), 14.8% higher than the closing price of S$1.150 on 29 March 2018.

Monthly Trading Performance in FY18/19

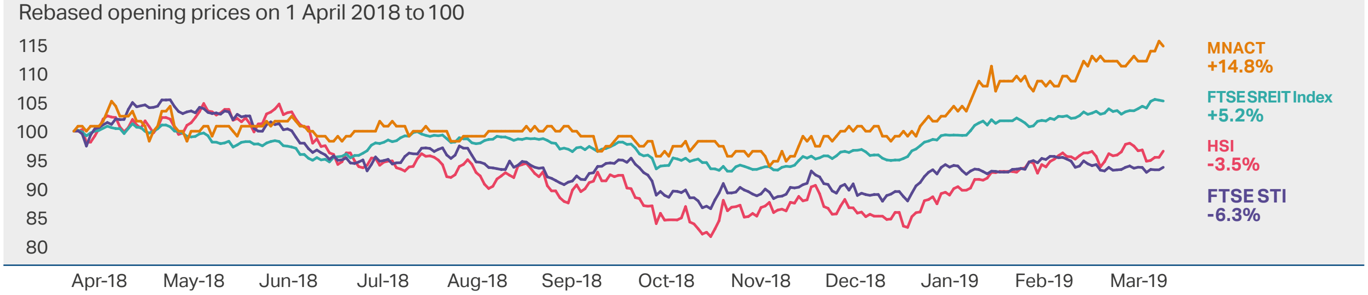


Investors continued to seek protection in yield plays like Singapore REITs amidst market volatility, with a preference for those with resilient assets and established sponsors. MNACT's unit price ended the year outperforming the FTSE ST Real Estate Investment Trusts ("FTSE SREIT") Index, which gained 5.2% year-on-year, as well as the Hang Seng Index ("HSI") and FTSE Straits Times Index ("FTSE STI"), which recorded a decline of 3.5% and 6.3% year-on-year respectively.

Trading Performance of MNACT Compared to Major Indices in FY18/19

(1 April 2018 to 31 March 2019)

Rebased opening prices on 1 April 2018 to 100



Delivered Healthy Returns to Unitholders

	Unit Price Appreciation[1]		Total Distribution Yield[2]		Total Return[3]
1-year from 1 April 2018	**14.8%**	+	**6.7%**	=	**21.5%**
3-year from 1 April 2016	**38.2%**	+	**23.6%**	=	**61.8%**
Since Listing from 7 March 2013	**41.9%**	+	**45.5%**	=	**87.4%**

1 Unit price appreciation is based on the opening unit price and the closing unit price during the period.
2 Total distribution yield is based on DPU for the period over the opening unit price. The distribution yield since listing on 7 March 2013 excludes the stub period from 7 to 31 March 2013.
3 Sum of unit price appreciation and total distribution yield for the period.

Over the last five financial years, MNACT's average unit price has been steadily increasing from S$0.935 in FY14/15 to S$1.168 in FY18/19. Average trading volume has also grown from 4.0 million units in FY14/15 to 6.6 million units in FY18/19, partly due to the issuance of new units in May 2018 pursuant to a private placement to partially finance the acquisition of the Japan Properties. At a market capitalisation of S$4.19 billion as of end FY18/19, MNACT was one of the top ten REITs in Singapore by market capitalisation, based on figures from Bloomberg.

Five-Year Trading Performance	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
Average Unit Price (S$)	0.935	0.964	1.008	1.144	**1.168**
Opening Unit Price (S$)	0.815	1.040	0.955	1.020	**1.150**
Closing Unit Price (S$)	1.040	0.955	1.020	1.150	**1.320**
Highest Unit Price (S$)	1.060	1.095	1.135	1.280	**1.330**
Lowest Unit Price (S$)	0.815	0.810	0.925	1.020	**1.080**
Total Trading Volume (million units)	994.4	1,245.8	1,209.3	1,233.2	**1,642.2**
Average Daily Trading Volume (million units)	4.0	5.0	4.8	5.0	**6.6**
Market Capitalisation[1] as of end financial year (S$ million)	2,829.9	2,633.5	2,851.3	3,250.2	**4,189.5**

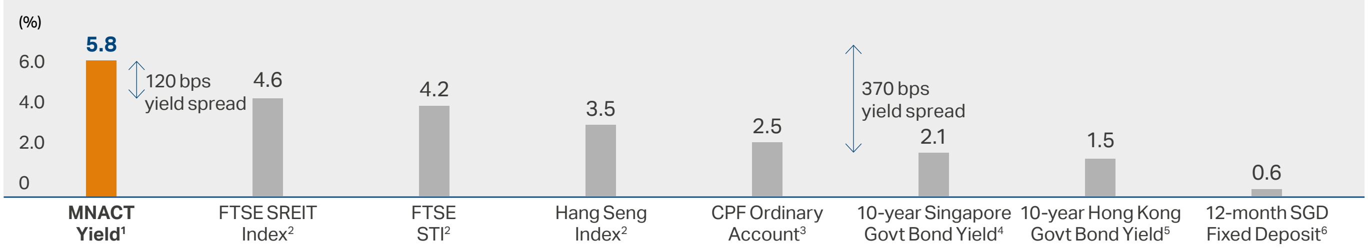
Source: Bloomberg

1 Based on the closing unit price on the last trading day and number of issued units as at year-end for each financial year.

The available DPU of 7.690 cents for FY18/19 translates to a distribution yield of 5.8% for FY18/19, which is 120 basis point and 370 basis point above the FTSE SREIT Index yield and 10-year SG government bond yield respectively.

MNACT Offers a Higher Return Vs Other Comparable Instruments

(As of 31 March 2019)



1 Based on available DPU to Unitholders of 7.690 cents for FY18/19 over closing unit price of S$1.320 on 29 March 2019.
2 Trailing 12-month gross dividend yield of FTSE SREIT Index, FTSE STI and Hang Seng Index as of 29 March 2019, Bloomberg.
3 Prevailing interest rate on Central Providend Fund ("CPF") Ordinary Account Savings from CPF Board, January to March 2019.
4 Singapore Government Bond Yield from Monetary Authority of Singapore as of 31 March 2019.
5 Hong Kong Government Bond Yield from Hong Kong SAR Government Bond Programme website as of 31 March 2019.
6 12-month SGD fixed deposit savings rate from Monetary Authority of Singapore as of 31 March 2019.

Constituent of Selected Indices

BI Singapore REIT Competitive Peers
Bloomberg Asia Real Estate Investment Trust Index
FTSE EPRA/NAREIT Global REITs Index
FTSE Straits Times Mid-Cap Index
FTSE Straits Times REIT Index
GPR/APREA Investable 100 Index
MSCI World Small Cap Index
MSCI Pacific ex Japan SMID Cap Index
MSCI Singapore Small Cap Index
iEdge S-REIT Index
iEdge S-REIT 20 Index
iEdge SG Real Estate 20 Index
iEdge APAC ex Japan Dividend Leaders REIT Index
S&P Asia Pacific BMI (US Dollar)
S&P Developed Property Index
S&P Developed REIT Index
S&P Dev exUS LargeMidCap USD
S&P Global Ex U.S. Property U.S. Dollar Index
S&P Global REIT USD Index
S&P Singapore BMI Index

Financial Review and Capital Management

Statement of Profit and Loss and Distribution Statement Highlights

Statement of Profit and Loss	FY18/19 (S$'000)	FY17/18 (S$'000)	Variance % Positive/ (Negative)
Gross Revenue[1]	408,687	355,030	15.1
Property Operating Expenses	(79,657)	(67,880)	(17.3)
Net Property Income	**329,030**	**287,150**	**14.6**
Net Foreign Exchange Gain	2,792	5,317	(47.5)
Net Change in Fair Value of Investment Properties	465,152	417,122	11.5
Net Change in Fair Value of Financial Derivatives	(604)	522	NM
Manager's Management Fees			
– Base Fee[2]	(24,378)	(21,092)	(15.6)
– Performance Fee[3]	(1,560)	(956)	(63.2)
Trustee's Fee	(737)	(651)	(13.2)
Other Trust Expenses	(1,495)	(1,469)	(1.8)
Finance Costs (Net)	(72,366)	(67,691)	(6.9)
Income Tax Expenses	(61,422)	(43,911)	(39.9)
Profit After Income Tax	**634,412**	**574,341**	**10.5**
Profit Attributable to:			
Unitholders	633,933	574,341	**10.4**
Non-controlling Interests[4]	479	-	NM
Profit for the Financial Year	**634,412**	**574,341**	**10.5**
Distribution Statement			
Profit for the Financial Year Attributable to Unitholders	633,933	574,341	**10.4**
Distribution Adjustments[5]	(393,268)	(363,419)	(8.2)
Distributable Income to Unitholders	**240,665**	**210,922**	**14.1**

NM-Not Meaningful

1 Revenue for Gateway Plaza and Sandhill Plaza in China is presented net of value added tax. Revenue for the Japan Properties is presented net of consumption tax.

2 The Manager's base fee is calculated based on 10.0% of the distributable income for the financial year. For FY18/19, the base fee includes the asset management fee in relation to the Japan Properties payable to MIJ in cash, which is calculated based on 10.0% of distributable income from the Japan Properties.

3 Performance fee of S$1.6 million in FY18/19 is calculated based on 25.0% of the growth on FY18/19 DPU over FY17/18 DPU multiplied by the weighted average number of units in issue for FY18/19.

4 Non-controlling interests refer to the 1.53% effective interest of the Japan Properties held by MIJ.

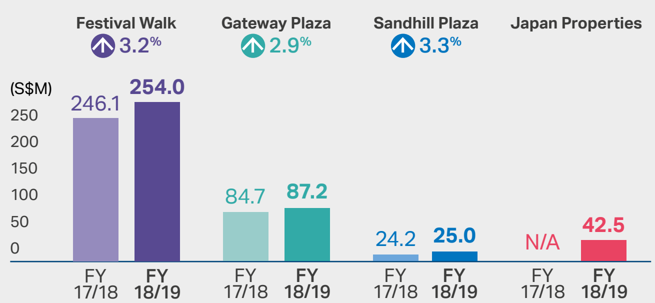
5 Distribution adjustments mainly include the Manager's management fees and Property Manager's management fees which are payable in the form of units, financing fees on borrowings, foreign exchange difference on capital item, as well as the change in the fair value of financial derivatives and investment properties (net of deferred tax).

Gross Revenue

S$408.7M

15.1% Year-on-year from S$355.0M

- The robust revenue growth was mainly driven by the contribution from the Japan Properties following the completion of acquisition on 25 May 2018, and higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza, partially offset by the lower average rate of Hong Kong Dollar ("HKD") and Renminbi ("RMB") against Singapore Dollar ("SGD") during FY18/19.
- Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties contributed 62.1% (FY17/18: 69.3%), 21.4% (FY17/18: 23.9%), 6.1% (FY17/18: 6.8%), and 10.4% respectively to the portfolio gross revenue in FY18/19.



Property Operating Expenses
S$79.7M

17.3% Year-on-year from S$67.9M

- The increase in property operating expenses was largely due to the addition of the Japan Properties and higher property and lease management fee in line with the growth in revenue.
- There was also higher marketing and promotion expenses, as well as higher utilities expenses and property maintenance expenses at Festival Walk.
- The increase in property operating expenses was partially offset by the lower average rate of HKD and RMB.

Net Change in Fair Value of Investment Properties
S$465.2M

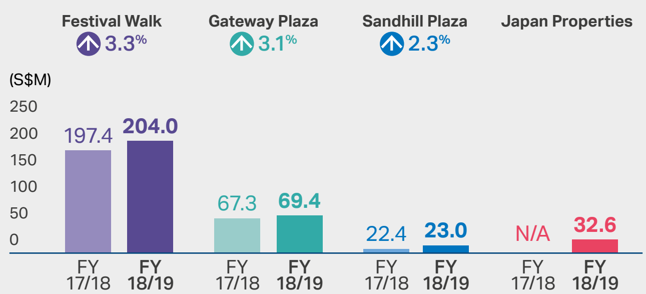
11.5% Year-on-year from S$417.1M

- The valuations of Festival Walk, Gateway Plaza and Sandhill Plaza were carried out by CBRE Limited as of 31 March 2019 and the valuations on the Japan Properties were carried out by Cushman & Wakefield K.K. as of 31 March 2019.
- The net change in fair value of investment properties represents the total fair value gain recognised for the properties.
- The total fair value gain came from Festival Walk of S$326.8 million (2018: S$338.4 million), Gateway Plaza of S$83.3 million (2018: S$65.9 million), Sandhill Plaza of S$50.4 million (2018: S$12.8 million) and Japan Properties of S$4.7 million.
- The total fair value gain is unrealised and has no impact on the distribution to Unitholders.

Net Property Income
S$329.0M

14.6% Year-on-year from S$287.2M

- By percentage contribution to portfolio NPI in FY18/19, Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties accounted for 62.0% (FY17/18: 68.8%), 21.0% (FY17/18: 23.4%), 7.0% (FY17/18: 7.8%), and 10.0% respectively.



Net Loss in Fair Value of Financial Derivatives
S$0.6M

from Net Gain of S$0.5M in FY17/18

- Net change in fair value of financial derivatives relates to the mark-to-market movement of currency forward contracts entered into to hedge currency exposures for future HKD, RMB and JPY distributable income.
- Currency forward contracts are entered into to limit the impact of currency volatility on future distributable income streams.
- As these contracts are not due to be settled, they will not have an impact on current year income available for distribution to Unitholders.

Foreign Exchange Gain (Net)
S$2.8M

47.5% Year-on-year from S$5.3M

- This was mainly due to exchange gain of S$3.8 million (FY17/18: S$3.2 million) from the partial settlement of inter-company loans, which is capital in nature and not distributable.
- It was partially offset by the net realised exchange loss of S$0.9 million (FY17/18: gain of S$1.6 million) from the settlement of currency forward contracts undertaken to hedge HKD, RMB and Japanese Yen ("JPY") distributable income.

Finance Costs (Net)
S$72.4M

6.9% Year-on-year from S$67.7M

- The increase in finance costs (net) was mainly due to finance costs on the incremental borrowings to partially fund the acquisition of the Japan Properties (S$3.6 million), and the rising interest rate on floating rate debt, mitigated by the refinancing of borrowings at lower cost of debt (S$1.5 million) as well as the lower average rate of HKD and RMB (S$0.5 million).

Financial Review and Capital Management

Income Tax Expenses
S$61.4M
39.9% Year-on-year from S$43.9M

- The higher income tax expenses of S$17.5 million was mainly due to the increase of S$11.7 million in deferred tax expenses arising from fair value gains of the investment properties and higher taxes of S$5.6 million as a result of higher taxable income.

Income Available for Distribution
S$240.7M
14.1% Year-on-year from S$210.9M

DPU
7.690 cents
2.8% Year-on-year from 7.481 cents

- The Manager continues to pay out 100.0% of the income available for distribution to Unitholders in FY18/19.
- Total number of units in issue as of 31 March 2019 was 3,173,891,965 (FY17/18: 2,826,267,943).
- During FY18/19, MNACT issued 316,968,910 new units in respect of the private placement to partially fund the acquisition of the Japan Properties ("Private Placement") and acquisition fee payable to the Manager for the acquisition of the Japan Properties ("Acquisition Fee"). There was also a payment of management fees to the Manager and the Property Manager of 30,655,112 new units during the year.

Units Issued in FY18/19 for Base Fee, Property Manager's Fees and Performance Fee

Type of Fees[1]	For Period	Issued Date	Number of Units	Issued Price[2] (S$)
Base Fee & Property Manager's Fees	1 January to 31 March 2018	25 May 2018	7,313,407	1.1609
Performance Fee	1 April 2017 to 31 March 2018	25 May 2018	823,799	1.1609
Base Fee & Property Manager's Fees	1 April to 30 June 2018	29 August 2018	7,547,947	1.1363
Base Fee & Property Manager's Fees	1 July to 30 September 2018	26 November 2018	7,540,036	1.1279
Base Fee & Property Manager's Fees	1 October to 31 December 2018	22 February 2019	7,429,923	1.1488
		Total:	**30,655,112**	

Units Issued in FY18/19 in Relation to the Acquisition of the Japan Properties

Type of Fees	Issued Date	Number of Units	Issued Price (S$)
New Units for the Private Placement	8 May 2018	311,602,000	1.0600
Acquisition Fee[3]	29 August 2018	5,366,910	1.0600
	Total:	**316,968,910**	

1 The Manager has elected to receive 100% of the Base Fee and the Performance Fee in the form of units. In relation to the Japan Properties, the asset management services are provided by MIJ (the "Japan Asset Manager"). In view of the fees payable in cash to the Japan Asset Manager for the Japan Properties, the Manager has elected to waive the Base Fee, which it is otherwise entitled to under the Trust Deed for as long as the Manager and the Japan Asset Manager are wholly-owned by the Sponsor and the Japan Asset Manager continues to receive an asset management fee for the Japan Properties.
The Manager has elected to pay the Property Manager the Property Manager's Fees relating to Festival Walk and Gateway Plaza in the form of units. For Sandhill Plaza, the Manager has elected to pay the Property Manager's Fees in cash from the date of acquisition on 17 June 2015. For the Japan Properties, the Manager has elected to pay Mapletree Management Services Japan Kabushiki Kaisha (the "Japan Property Manager") from the date of acquisition on 25 May 2018.

2 The issued prices were determined based on the volume weighted average price ("VWAP") for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant quarter on which the fees were accrued.

3 In accordance with the Trust Deed, the Acquisition Fee was paid in units and were issued at the issue price of the new units pursuant to the Private Placement. Please refer to MNACT's SGX-ST Announcement dated 29 August 2018 titled "Payment of Base Fee, Property Management Fee & Acquisition Fee by Way of Issue of New Units in MNACT".

Quarterly Distribution

Quarter	Period	Distributable Income for the Period (S$'000)	Number of Issued Units as at End Period[1]	DPU (paid) (cents)	Payment Date
1Q FY18/19	1 April to 7 May 2018[2]	56,743	2,826,267,943	0.764	25 May 2018
	8 May to 30 June 2018		3,146,007,149	1.117	29 August 2018
2Q FY18/19	1 July to 30 September 2018	60,846	3,158,922,006	1.926	26 November 2018
3Q FY18/19	1 October to 31 December 2018	61,006	3,166,462,042	1.927	22 February 2019
4Q FY18/19	1 January to 31 March 2019	62,070	3,173,891,965	1.956	27 May 2019

1 There were no convertibles, treasury units and subsidiary holdings as of 31 March 2019 and 31 March 2018.
2 Unitholders received an advanced distribution for the period from 1 April 2018 to 7 May 2018, which was the day immediately prior to the date on which the new units were issued pursuant to the Private Placement (refer to SGX-ST announcement dated 7 May 2018 titled "Details of Cumulative Distribution in Connection with the Private Placement by MGCCT").

- With effect from 1 April 2018, MNACT changed its distribution policy to make distributions on a quarterly basis, instead of on a semi-annual basis.
- The quarterly DPU was calculated based on the distributable income for the period over the number of issued units as at the end of the quarter.
- The reported number of units in issue as at the end of each quarter does not include the payment of the Manager's Base Fee and the Property Manager's Management Fees (collectively referred to as "Fees") in units for the quarter. The payment of Fees in units are issued in the months of August, November, February and May for the first, second, third and fourth quarters respectively, and these units issued are included in the computation of the DPU payable (on a quarterly basis) for the following quarter.

Analysis of Quarterly DPU

1Q FY18/19

- 1Q FY18/19 DPU of 1.881 cents was 1.6% higher than 1Q FY17/18 DPU of 1.851 cents.
- The increase was mainly due to the contribution by the Japan Properties from 25 May 2018, higher revenue growth from Festival Walk, Gateway Plaza and Sandhill Plaza, and lower translated average cost of debt (post-refinancing).
- The increase was partially impacted by the lower average rate of HKD.

2Q FY18/19

- 2Q FY18/19 DPU of 1.926 cents was 3.1% higher than 2Q FY17/18 DPU of 1.868 cents.
- The growth was underpinned by the full quarter contribution from the Japan Properties and organic growth from the Hong Kong SAR and China properties, partially offset by the lower average rate of HKD and higher net finance costs.

3Q FY18/19

- 3Q FY18/19 DPU of 1.927 cents was 3.2% higher than 3Q FY17/18 DPU of 1.868 cents.
- The growth continued to be driven by higher contribution from Festival Walk, Gateway Plaza and Sandhill Plaza as a result of higher average rental rates from these properties, improved average occupancy rates from Gateway Plaza and Sandhill Plaza as well as contribution from the Japan Properties.
- The growth was partially offset by the increase in net finance cost and the lower average rate of HKD.

4Q FY18/19

- 4Q FY18/19 DPU of 1.956 cents was 2.7% higher than 4Q FY17/18 DPU of 1.904 cents.
- The growth was underpinned by the acquisition of the Japan Properties and higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza, partially offset by higher net finance costs.

Financial Review and Capital Management

Statement of Financial Position Highlights

	As of 31 March 2019 (S$ million)	As of 31 March 2018 (S$ million)	Variance %
Investment Properties	**7,609.5**	6,292.0	20.9
Total Assets	**7,820.4**	6,522.7	19.9
Total Liabilities	**3,230.2**	2,634.0	22.6
Net Assets Attributable to Unitholders	**4,585.5**[1]	3,888.8	17.9
NAV per Unit (S$)	**1.445**	1.376	5.0

1 MNACT holds a 98.47% effective interest in the Japan Properties. The net assets attributable to Unitholders as of 31 March 2019 exclude the non-controlling interests of 1.53% held by MIJ.

Acquisition
S$777.5M
Total Acquisition Cost

- On 25 May 2018, MNACT completed the acquisition[1] of an effective interest of 98.47% in a portfolio of six freehold commercial real estate assets located in Greater Tokyo, Japan (specifically in Tokyo, Chiba and Yokohama) at a total acquisition cost of S$777.5 million from MJOF Pte. Ltd.[2] The total acquisition cost comprises the Acquisition Price of JPY63,304.0 million[1] (S$770.0 million)[3], the acquisition fee paid to the Manager of S$5.7 million as well as acquisition-related transaction costs.
- The Acquisition Price of JPY63,304.0 million[1] was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the portfolio commissioned by the Trustee and the Manager. It was also at a discount of approximately 1.0% to the valuation[4] conducted by Morii Appraisal & Investment Consulting, Inc. ("MAIC") (commissioned by the Trustee) and approximately 1.1% to the average of the two valuations[4] conducted by CBRE K.K., Valuation & Advisory Services ("CBRE") and Savills Japan Co., Ltd ("Savills") (both commissioned by the Manager).
- The acquisition fee paid in units to the Manager for the acquisition of the Japan properties was S$5.7 million.

1 Please refer to MNACT's SGX-ST Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan".
2 MJOF Pte. Ltd. ("MJOF") is a private real estate closed-end fund, managed by MIJ, an indirect wholly-owned subsidiary of the Sponsor. The Sponsor held an approximate 36.0% stake in MJOF.
3 Based on the exchange rate of S$1.00 = JPY82.18.
4 In arriving at the valuations, MAIC, CBRE and Savills relied on the discounted cash flow method.

Valuation of Properties
S$7.6B
20.9% Year-on-year from S$6.3B

- The increased portfolio value was mainly due to the acquisition of the Japan Properties at S$777.5 million, fair value gains of all the properties of S$465.2 million and net translation gains (against SGD) of S$71.4 million from the stronger HKD and JPY, partially offset by the weaker RMB.

	Valuation (Local Currency/S$)			Valuation Cap Rate		Valuer[3]
	As of 31 March 2019[1] ($ million)	As of 31 March 2018[2] ($ million)	% Change Year-on-year	As of 31 March 2019	As of 31 March 2018	
Festival Walk	HKD28,750 **S$4,967**	HKD26,840 S$4,514	7.1% 10.0%	**4.15% (Gross)**	4.25% (Gross)	CBRE Limited
Gateway Plaza	RMB6,851 **S$1,385**	RMB6,442 S$1,340	6.3% 3.4%	**5.75% (Gross)**	6.25% (Gross)	CBRE Limited
Sandhill Plaza	RMB2,352 **S$475**	RMB2,103 S$438	11.8% 8.4%	**5.00% (Gross)**	5.50% (Gross)	CBRE Limited
Japan Properties ("JP")	JPY64,310 **S$783**	Acquisition Price (25 May 2018) JPY63,304 S$770[5]	1.6%[4] 1.7%[4]	**4.10% - 4.80% (Net)**	-	Cushman & Wakefield K.K.
Portfolio	**S$7,610**	S$6,292 (Excluding JP)	20.9%			

1 Valuation methodologies used as of 31 March 2019 by CBRE Limited include: income capitalisation method, discounted cashflow method and direct comparison method (for Gateway Plaza and Sandhill Plaza). Valuation methodologies used as of 31 March 2019 by Cushman & Wakefield K.K. include discounted cashflow method and direct capitalisation method.
Based on the exchange rates of S$1= HKD5.7884, S$1 = RMB4.9483 and S$1 = JPY82.1477.
2 Based on the exchange rates of S$1= HKD5.9457 and S$1 = RMB4.8065.
3 The Trustee of MNACT had appointed both valuers.
4 As compared to the Acquisition Price (25 May 2018).
5 Based on the exchange rate of S$1 = JPY82.18.

Total Assets
S$7,820.4M
19.9% Year-on-year from S$6,522.7M

- The higher total assets was mainly attributed to the increase in investment properties of S$1,317.5 million, partially offset by the decrease of S$22.8 million in financial derivative assets due to movement in fair value.

Total Liabilities
S$3,230.2M
22.6% Year-on-year from S$2,634.0M

- The higher total liabilities was mainly due to the increase in net proceeds from borrowings of S$462.8 million to partially fund the acquisition of the Japan Properties and for working capital, together with the net translation effect of S$46.8 million arising from the stronger HKD, offset by the weaker RMB and translation loss of JPY during the period.
- There was also an increase in trade and other payables of S$45.2 million mainly due to the tenancy deposits and advanced rent relating to the Japan Properties, following the completion of the acquisition on 25 May 2018.
- Deferred tax liabilities also increased by S$27.6 million, mainly arising from the fair value gain of investment properties.

Net Assets Attributable to Unitholders
S$4,585.5M
17.9% Year-on-year from S$3,888.8M

- The increase was mainly due to higher total return attributable to Unitholders including fair value gains of all the properties and net translation gains for the year, partially offset by distribution payments to Unitholders.

NAV per Unit
S$1.445
5.0% Year-on-year from S$1.376

- After taking into account distribution payments to Unitholders on 27 May 2019 and 25 May 2018, NAV per unit would be S$1.425 and S$1.338 respectively.

Financial Review and Capital Management

Consolidated Statement of Cash Flow Highlights

(S$'000)	FY18/19	FY17/18
Net Cash Provided by Operating Activities	**308,972**	306,397
Net Cash Used in Investing Activities	**(736,530)**	(4,681)
Net Cash Provided by/ (Used in) Financing Activities	**426,365**	(304,148)
Net Decrease in Cash and Cash Equivalents Held	**(1,193)**	(2,432)
Cash and Cash Equivalents at End of the Financial Year	**175,168**	177,981

- Higher net cash provided by operating activities for FY18/19 was mainly due to increased cash generated from operations and a lower income tax paid. MNACT and its subsidiaries (the "Group") paid a higher income tax in FY17/18 upon obtaining clarification from the local authorities in March 2017 on the applicable value added tax rate and implementation process for Gateway Plaza.
- Increase in net cash used in investing activities was mainly attributed to the cash outflow for the acquisition of the Japan Properties.
- Higher net cash provided by financing activities mainly comprised net proceeds from borrowings, issuance of Tokutei Mokuteki Kaisha ("TMK") bonds and issuance of new units pursuant to the private placement for the acquisition of the Japan Properties; this was partially offset by higher financing fees paid, higher distribution payments to Unitholders and higher interest payments.

Capital Management

The Manager continues to adopt a proactive capital management strategy to address funding requirements, mitigate MNACT's exposure to interest rate and foreign exchange volatilities, as well as diversify sources of funding.

Key Financial Indicators

	As of 31 March 2019	As of 31 March 2018
Total Gross Debt Outstanding (S$ million)	**2,878**	2,368
Aggregate Leverage Ratio[1] (%)	**36.6**	36.2
Average Term to Maturity for Debt (years)	**3.70**	3.43
Interest Cover Ratio[2] (times) for the Financial Year	**4.2**	3.9
Effective Interest Rate (% per annum) for the Financial Year	**2.47**	2.72
Unencumbered Assets as % of Total Assets (%)	**90**	100
MNACT's Corporate Rating by Moody's	**Baa1 Stable**	Baa1 Stable

1 MNACT holds a 98.47% effective interest in the Japan Properties. In accordance with Property Funds Guidelines, the leverage ratio is aggregated on a proportionate basis based on MNACT's share of both JPY onshore borrowings and total assets attributed to the Japan Properties.

2 Interest cover ratio is calculated based on profit before income tax not taking into account net finance costs, foreign exchange differences, depreciation and changes in fair value of derivatives and investment properties, and over net finance costs. The leverage ratio and interest cover ratio are within the financial covenants stipulated in the debt facility agreements.

Total Gross Debt
S$2,878M
↑ 21.5% Year-on-year from S$2,368M

- MNACT's borrowings of S$2,878 million as of 31 March 2019 comprised bank debt of S$1,985 million and bonds of S$893 million (TMK bonds and bonds issued under MNACT's Euro Medium Term Securities Programme ("Euro MTN Programme") established on 31 May 2013).
- As of 31 March 2019, MNACT has an untapped balance of approximately US$899 million from its Euro MTN Programme as well as unutilised committed bank facilities of approximately S$236 million.
- During FY18/19, MNACT and its subsidiaries entered into seven loan facility agreements[1]. Approximately S$101 million of the debt due by March 2019 and S$174 million of the debt maturing by March 2021 were refinanced during the financial year.

1 Please refer to MNACT's SGX-ST announcements dated 11 May 2018, 22 May 2018, 28 August 2018, 4 September 2018, 10 September 2018, 13 September 2018 and 27 December 2018 on MNACT's disclosures pursuant to Rule 704(31) of the Listing Manual of the SGX-ST.

Total Gross Debt (continued)

- Mapletree North Asia Commercial Treasury Company (HKSAR) Limited[1] issued HKD580 million eight-year Fixed Rate Notes due in 2027 and bearing a coupon rate of 3.65% to partially refinance existing borrowings. In conjunction with the issuance, the HKD fixed interest rate was swapped into JPY fixed interest rate.
- In March 2019, Sandhill Plaza's onshore RMB loan was converted into a green loan[2].
- As of 31 March 2019, MNACT had less than S$204 million (equivalent to approximately 7% of the total gross debt) refinancing requirement due by March 2020.
- About 72% of the total gross debt are denominated in HKD, providing a natural hedge up to the corresponding amount of borrowings for MNACT's property in Hong Kong SAR (Festival Walk).
- About 26% of the total gross debt is denominated in JPY[3].
- Only a small percentage of the total gross debt is denominated in RMB and the debt relates to the onshore debt for the acquisition of Sandhill Plaza.

Aggregate Leverage Ratio
36.6%

0.4 Percentage Points Year-on-year from 36.2%

- The increase was largely due to borrowings to partially fund the acquisition of the Japan Properties, partially offset by fair value gains of all the properties and net translation gains from the stronger HKD and JPY, partially offset by the weaker RMB. The aggregate leverage ratio is below the Monetary Authority of Singapore's ("MAS") regulatory limit of 45% and less than the Manager's target aggregate leverage limit of not more than 42.0%.
- The aggregate leverage ratio of 36.6% provides a debt headroom of approximately S$720 million before reaching the targeted 42% aggregate leverage limit. This provides the REIT with significant financial flexibility to fund potential acquisitions.
- As of 31 March 2019, total debt to net asset value ratio and net debt[4] to net asset value ratio were 62.4% and 61.1% respectively.

Average Term to Maturity for Debt
3.70 years

0.27 Years Year-on-year from 3.43 Years

- Average term to maturity for debt was extended to 3.70 years as of 31 March 2019 as a result of MNACT's proactive refinancing efforts during the year.

Effective Interest Rate
2.47%

0.25 Percentage Points Year-on-year from 2.72%

- The effective interest rate was lowered despite the effects of higher interest rates on floating rate debt.

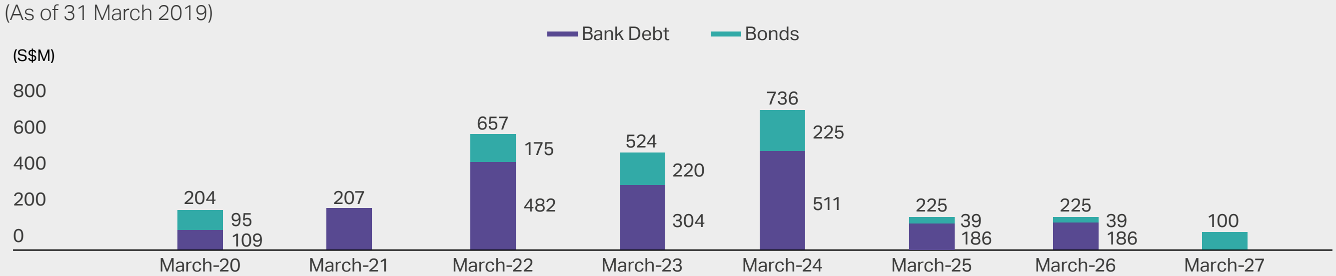
Unencumbered Assets
90%

- The percentage of total assets unencumbered was at 90% as of 31 March 2019 as the JPY onshore TMK bonds and bank loans used to partially finance the acquisition of the Japan Properties were secured[5] against the assets.

Moody's Rating
Baa1 Stable

- Moody's Investors Service ("Moody's") reaffirmed MNACT's 'Baa1' issuer rating with a stable outlook on 12 April 2019, given the geographical and income diversification benefits from acquiring the Japan Properties.

Well-Staggered Debt Maturity Profile
(As of 31 March 2019)



% of total debt maturing by end financial year	**7%**	**7%**	**23%**	**18%**	**26%**	**8%**	**8%**	**3%**

1 A wholly-owned subsidiary of MNACT.
2 Sandhill Plaza meets the requirements of the green loan principles of the current lender.
3 JPY debt relates to the debt from the acquisition of the Japan Properties in May 2018 and the HKD580 million Fixed Rate Notes issued in March 2019.
4 Total debt less cash and cash equivalents held in MNACT's functional currency (SGD).
5 Please refer to Note 17 (page 169) of the Financial Statements section of this Annual Report.

Financial Review and Capital Management

Equity Fund Raising

- The Manager launched an Equity Fund Raising[1] on 25 April 2018 to partially fund the acquisition of the Japan Properties. Comprising an overnight private placement tranche of 311.6 million new units, the fund raising was well-received by existing and new investors. Priced at S$1.06 per new unit (representing a discount of 3.2% to the adjusted VWAP of S$1.0953 per unit), the private placement was approximately 2.4 times covered. Gross proceeds of S$330.3 million was raised.

Use of Proceeds[2]

- The gross proceeds of S$330.3 million from the Equity Fund Raising has been fully utilised to partially fund the acquisition of the Japan Properties, in accordance with the use and percentage as set out in the SGX-ST announcement dated 26 April 2018 titled "Results of the Private Placement and Pricing of New Units under the Private Placement".

Interest Rate Risk Management

- As of 31 March 2019, approximately 86% of interest cost on borrowings was fixed using interest rate swaps, cross currency interest rate swaps and fixed-rate notes, which mitigates MNACT's exposure to interest rate fluctuations and provide better certainty of interest costs.

Foreign Currency Risk Management

- The Manager uses currency forwards to hedge expected portfolio distributable income.
- About 75% of the expected distributable income for the period from 1 April 2019 to 30 September 2019 ("1H FY19/20") has been hedged into SGD.
- The Manager will continue to actively monitor the currency markets and progressively hedge to provide certainty over future distributions as appropriate.

Accounting Policies

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), issued by the Accounting Standards Council (Singapore), the applicable requirements of the Code on Collective Investment Schemes ("CCIS") issued by the MAS relating to financial reporting and the provisions of the Trust Deed[3].

The MAS has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the CCIS to prepare its financial statements in accordance with the SFRS(I).

The financial statements for the year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for prior periods were prepared in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

The Group's significant accounting policies are discussed in more detail in the notes to the financial statements. The preparation of the financial statements in conformity with SFRS(I) requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. In particular, the valuation of investment properties is one significant area which requires estimation and critical judgement in applying accounting policies. This has the most significant effect on the amounts recognised in the financial statements and is discussed in greater detail in the notes to the financial statements.

1 Please refer to MNACT's SGX-ST Announcements dated 25 April 2018 titled "Launch of Private Placement to Raise Gross Proceeds of Approximately S$325.0 million" and dated 26 April 2018 titled "Results of the Private Placement and Pricing of New Units under the Private Placement".

2 Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 "Completion of Acquisition of the Japan Properties and Use of Proceeds of the Private Placement".

3 As a REIT established in Singapore, MNACT is constituted by the Trust Deed. A copy of the Trust Deed can be inspected at the registered office of the Manager, which is located at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438, subject to prior appointment.

Sensitivity Analysis

- As of 31 March 2019, interest cost on 86% of the total debt was fixed, minimising exposure to interest rate volatility. It is estimated that an increase of 50 basis points in interest rate would have resulted in a reduction in FY18/19 DPU by about 0.059 cents.
- MNACT has an aggregate leverage ratio of 36.6% as of 31 March 2019. A 1.0% increase in portfolio valuation would have decreased the aggregate leverage ratio by approximately 0.3 percentage points.
- MNACT's total return for FY18/19 would decrease or increase by S$3.0 million[1] if the average rate of HKD against SGD strengthened or weakened by 5%. In the case of RMB, total return would have decreased or increased by S$1.7 million[1]. For JPY, if the average rate of JPY against SGD strengthened or weakened by 5%, the total return would have decreased or increased by S$1.0 million[1].

Five-year Financial Performance Profile[2]

	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
Gross Revenue (S$ million)	281.1	336.6	350.6	355.0	**408.7**
Net Property Income (S$ million)	229.3	277.5	285.6	287.2	**329.0**
Distributable Income (S$ million)	178.0	199.9	204.6	210.9	**240.7**
Distribution per Unit (cents)	6.560	7.270	7.341	7.481	**7.690**

FY14/15

- Portfolio gross revenue and NPI exceeded FY13/14 by 11.3% and 12.2% respectively.
- DPU was 10.4% higher than FY13/14.
- This was contributed by healthy rental reversions across the portfolio, high occupancy and effective cost management.

FY15/16

- Portfolio gross revenue and NPI were up by 19.7% and 21.0% respectively, as compared to FY14/15.
- Robust organic growth was achieved through strong rental reversions at Festival Walk and Gateway Plaza, and the contribution from Sandhill Plaza, which was acquired in June 2015.
- Total distributable income in FY15/16 increased 12.3% compared to the previous financial year. Correspondingly, DPU for FY15/16 recorded a 10.8% increase compared to FY14/15.

FY16/17

- NPI was 2.9% higher for FY16/17 compared to FY15/16, mainly due to the increase in rental income from Festival Walk and the full-year contribution from Sandhill Plaza, partially offset by additional property tax incurred by Gateway Plaza as a result of the change in the basis of assessment of property tax, effective from July 2016.
- Income available for distribution to Unitholders for FY16/17 was 2.4% higher than last financial year. DPU for FY16/17 was 1.0% more compared to the DPU paid for FY15/16.

FY17/18

- FY17/18 NPI was 0.5% higher than FY16/17 NPI. This was mainly due to higher average rental rates from Festival Walk and Gateway Plaza, offset by higher property tax incurred at Gateway Plaza as a result of the change in the basis of assessment of property tax, and the lower average rates of HKD and RMB against SGD in FY17/18 compared to FY16/17.
- Available DPU for FY17/18 increased by 1.9%, compared to FY16/17, mainly due to higher NPI, the lower translated average cost of debt (post re-financing) and realised exchange gain.

1 The foreign currency sensitivity analysis is performed using the similar methodology of SFRS (I) 7 (Financial Instruments: Disclosures) as disclosed in the Notes to Financial Statements section on page 181. This analysis includes financial assets and liabilities (but does not include investment properties), as well as "mark-to-market" losses/gains on currency forwards.

2 Please refer to MNACT's SGX-ST announcements for the results announcements of the respective financial years.

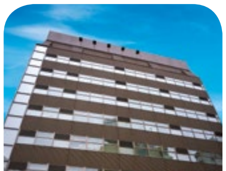
Property Portfolio Summary and Review[1]

	Festival Walk	Gateway Plaza	Sandhill Plaza
Market	**HONG KONG SAR**	**CHINA**	
City	Hong Kong SAR	Beijing	Shanghai
Address	No. 80 Tat Chee Avenue, Kowloon Tong	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District	Block 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Zhangjiang Hi-tech Park, Pudong New Area
Asset Type	Mall and Office	Office	Business Park
Gross Floor Area ("GFA")[2]	112,297 sq m Office: 21,244 sq m (19%) Retail: 91,053 sq m (81%)	106,456 sq m Office: 94,715 sq m (89%) Podium: 11,741 sq m (11%)	83,801 sq m
Net Lettable Area ("NLA")[2]	74,171 sq m Office: 19,879 sq m (27%) Retail: 54,292 sq m (73%)	106,456 sq m Office: 94,715 sq m (89%) Podium: 11,741 sq m (11%)	63,284 sq m Office: 61,684 sq m (97%) Amenities: 1,600 sq m (3%)
No. of Storeys	7 floors (retail), 4 floors (office), 3 basement car park levels	Two 25-storey office towers, 3-storey podium area, 3 underground floors	One 20-storey tower, 7 blocks of 3-storey buildings, 2 basement car park levels
Car Park Lots	830	692	460
Land Use Right Expiry	30 June 2047	25 February 2053	3 February 2060
Remaining Term of Land Lease	28 years	34 years	41 years
No. of Tenants	187	96	59
No. of Leases	270	99	74
Tenant Type	Multi-tenanted	Multi-tenanted	Multi-tenanted
Year of Purchase by MNACT	2013	2013	2015
Purchase Price (million)	HKD20,700 (S$3,296)[3]	RMB5,150 (S$1,013)[3]	RMB1,862 (S$407)[4]
Valuation[6] (million)	HKD28,750 (S$4,967)	RMB6,851 (S$1,385)	RMB2,352 (S$475)
As % of Portfolio Valuation[7]	65.3	18.2	6.2
Cap rate[6] (%)	4.15 (Gross)	5.75 (Gross)	5.00 (Gross)
Occupancy Rate (%)	100	99.0	99.3
Major Tenants by Monthly Gross Rental Income ("GRI") for March 2019	Arup, TaSTe, Festival Grand	BMW, CFLD[8], Bank of China	Spreadtrum, Borouge, Analog Devices, Inc.
Weighted Average Lease Expiry ("WALE")[9] **by monthly GRI (years)**	2.5 Office: 3.5 Retail: 2.4	3.1 Office: 2.8 Podium: 5.0	1.5 Office: 1.5 Amenities: 2.0
Rental Reversion[10] **in FY18/19** (%)	Retail: 28 Office: 15	2	15
Gross Revenue for FY18/19 (S$'000)	253,996	87,221	25,020
Gross Revenue for FY17/18 (S$'000)	246,076	84,729	24,225

1 All information and numbers presented in this section are as of 31 March 2019 unless otherwise specified.
2 Square metre ("sq m") is the standard convention for area in China. While square feet ("sq ft") is the standard convention for area in Hong Kong SAR and tsubo is the standard convention for area in Japan, we have standardised to square metre ("sq m") for ease of comparison. 1 sq m = 10.7639 sq ft, 1 sq m = 0.3025 tsubo.
3 Purchase price as of 7 March 2013 (listing date). Based on exchange rate: S$1 = HKD6.2803 and S$1 = RMB5.084.
4 As of acquisition date of 17 June 2015. Based on exchange rate S$1= RMB4.5749.
5 As of acquisition date of 25 May 2018. Based on exchange rate S$1 = JPY82.18.
6 Valuation as of 31 March 2019. Based on exchange rates S$1= HKD5.7884, S$1 = RMB4.9483 and S$1 = JPY82.1477. Please refer to page 21 in the Financial Review and Capital Management section of this Annual Report on the appointed valuers and valuation methodologies used.







IXINAL Monzen-nakacho Building (MON)	Higashi-nihonbashi 1-chome Building (HNB)	TS Ikebukuro Building (TSI)	ABAS Shin-Yokohama Building (ASY)	SII Makuhari Building (SMB)	Fujitsu Makuhari Building (FJM)
JAPAN					
Tokyo	Tokyo	Tokyo	Yokohama	Chiba	Chiba
5-4, Fukuzumi 2-chome, Koto-ku	4-6, Higashi-nihonbashi 1-chome, Chuo-ku	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku	6-1, Shin-yokohama 2-chome, Kohoku-ku, Yokohama City, Kanagawa	8, Nakase 1-chome, Mihama-ku, Chiba City	9-3, Nakase 1-chome, Mihama-ku, Chiba City
Office					
8,303 sq m	3,240 sq m	4,898 sq m	4,638 sq m	70,744 sq m	61,088 sq m
6,852 sq m	2,601 sq m	4,002 sq m	3,170 sq m	70,744 sq m	61,088 sq m
5-storey office building	8-storey office building	9-storey office building	9-storey office building, 2 basement levels	26-storey office building, 1 basement level	21-storey office building
28	8	15	24	298	251
Freehold					
Freehold					
22					
22					
Single-tenanted	Multi-tenanted	Single-tenanted	Multi-tenanted	Single-tenanted	Single-tenanted
2018	2018	2018	2018	2018	2018
JPY8,639 (S$105)[5]	JPY1,995 (S$24)[5]	JPY5,220 (S$64)[5]	JPY2,695 (S$33)[5]	JPY26,344 (S$321)[5]	JPY18,411 (S$224)[5]
JPY8,730 (S$106)	JPY2,170 (S$26)	JPY5,280 (S$64)	JPY2,730 (S$33)	JPY26,700 (S$325)	JPY18,700 (S$228)
1.4	0.4	0.9	0.4	4.3	3.0
4.10 – 4.80 (Net)					
100	100	100	100	100	100
Japan Information Processing Service	Tender Loving Care Services (a nursery), Shigematsu	PERSOL	Rentas, Lawson, AIRI	Seiko Instruments Inc.	Fujitsu
4.7					
6[11]					
5,438	1,365	2,966	1,803	18,861	12,017
n.a.[12]					

7 Portfolio valuation as of 31 March 2019 was S$7,610 million.
8 China Fortune Land Development ("CFLD").
9 WALE is based on the expiry dates of the committed leases.
10 Rental reversion is computed based on the weighted average effective base rental rate of leases that were renewed or re-let vs. the weighted average effective base rental rate of expired leases, over the lease term. The computation of rental reversion excludes turnover rent and renewed/re-let leases with lease periods less than or equal to one year.
11 The rental reversion for the Japan Properties was contributed by two leases that expired in 1Q FY18/19.
12 The Japan Properties were acquired in May 2018.

Property Portfolio Summary and Review

For FY18/19, MNACT's operating performance remained stable and resilient, underpinned by a high portfolio occupancy and positive reversions for Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties. The newly acquired Japan Properties also enhanced the REIT's tenant and sector diversification.

Portfolio Occupancy

Portfolio occupancy rate improved to 99.6% as of 31 March 2019, compared to 98.5% a year ago. Both Festival Walk and the Japan Properties were fully leased as of 31 March 2019. The increased occupancy for Gateway Plaza was mainly due to the expansion demand from an existing tenant within the building. For Sandhill Plaza, occupancy was slightly lower at 99.3% as of 31 March 2019.

As of 31 March (%)	2019	2018	2017	2016	2015
Festival Walk	**100.0**	100.0	100.0	100.0	100.0
Gateway Plaza	**99.0**	96.5	96.9	96.8	98.0
Sandhill Plaza[1]	**99.3**	100.0	100.0	100.0	n.a.
MON[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
HNB[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
TSI[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
ASY[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
SMB[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
FJM[2]	**100.0**	n.a.	n.a.	n.a.	n.a.
Portfolio	**99.6**	98.5	98.6	98.6	98.8

Favourable Portfolio Lease Expiry Profile

The Manager continued to maintain a well-staggered lease expiry profile for FY18/19. Based on committed leases, the portfolio had a WALE by GRI of 2.8 years[3] as of 31 March 2019, with no more than 25.4% of the leases by GRI due for renewal in any one year. Of the 25.4% leases expiring in FY19/20, approximately 6.1% had been committed for renewal or re-let as of 31 March 2019. Another 20.6% are due for renewal or re-let in FY20/21, 16.2% in FY21/22, 12.4% in FY22/23, and the remaining 25.4% in FY23/24 and beyond.

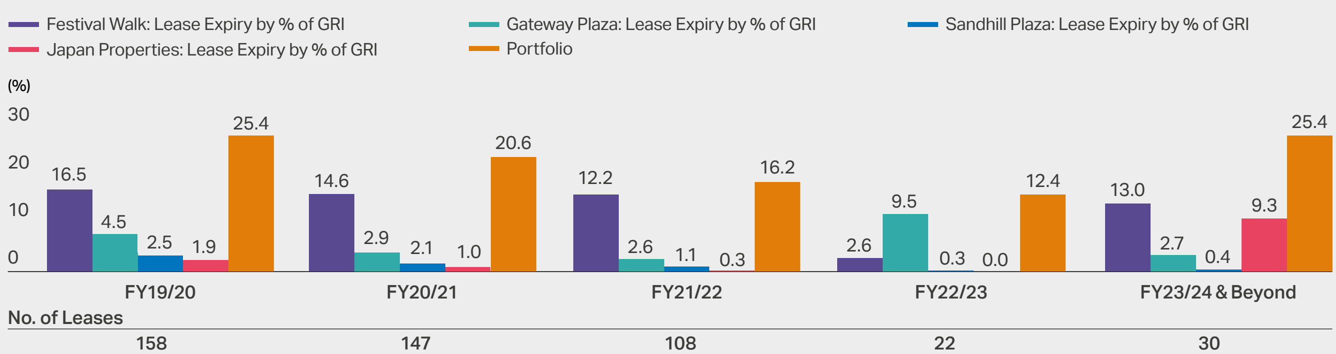
The WALE by GRI based on committed leases for Festival Walk, Gateway Plaza and Sandhill Plaza were 2.5 years, 3.1 years and 1.5 years respectively, consistent with the market practices in Hong Kong SAR and China where the office and retail leases are typically structured with three-year lease terms. The WALE by GRI based on committed leases for the Japan Properties was longer at 4.7 years, mainly contributed by the leases at FJM and SMB.

For new and renewed leases that commenced in FY18/19, the WALE of these leases as of 31 March 2019 was 3.4 years[4]. These leases accounted for 22.8% of portfolio GRI for the month of March 2019.

Lease Structure

The leases in the portfolio comprise mainly base rent, except for retail leases at Festival Walk and one lease at Sandhill Plaza[5]. Festival Walk's retail leases comprise base rent and turnover rent (where turnover rent is pegged to tenants' sales). To achieve certainty of rental revenue growth, the focus has been on steadily increasing the contribution from the base rent, which is less susceptible to retail sales volatility compared to turnover rent. For FY18/19, turnover rent, which is subject to the tenants' retail sales, contributed approximately 2.1% of the portfolio's gross revenue for FY18/19.

Portfolio Lease Expiry Profile by Percentage of Monthly GRI (As of 31 March 2019)



Note: Lease expiry profile shows the remaining leases to be renewed or re-let as of end of the financial period.

1 Acquired in June 2015.
2 The six Japan Properties were acquired in May 2018. Please refer to the summary table on page 27 of this Annual Report for the listing of the names of the six Japan Properties.
3 The portfolio WALE of 2.8 years as of 31 March 2019 was based on committed leases (leases which have been renewed or re-let as of 31 March 2019), with lease commencement dates before and after 31 March 2019. Excluding committed leases commencing after 31 March 2019, the portfolio WALE would have been 2.6 years as of 31 March 2019.
4 The WALE of 3.4 years as of 31 March 2019 was based on renewed or re-let leases with lease commencement dates within FY18/19.
5 All leases at Sandhill Plaza comprise base rent only, except one food & beverage lease which contributed turnover rent amounting to less than 0.1% of the portfolio's gross revenue in FY18/19.

MNACT's Top 10 Tenants by Monthly GRI
(For the Month of March 2019)

	Building	Tenant	Sector	Trade Sector	% of Monthly GRI
1	Gateway Plaza	BMW	Office	Automobile	8.3
2	SMB	Seiko Instruments Inc.	Office	Machinery / Equipment / Manufacturing	5.6
3	Festival Walk	Arup	Office	Professional & Business Services	3.7
4	Festival Walk	TaSTe	Retail	Departmental Store & Supermarket	3.6
5	FJM	Fujitsu	Office	Machinery / Equipment / Manufacturing	3.6
6	Gateway Plaza	CFLD	Office	Financial Institution / Insurance / Banking / Real Estate	3.1
7	Festival Walk	Festival Grand	Retail	Leisure & Entertainment	2.0
8	Festival Walk	Apple	Retail	Houseware, Electronics & Furnishings	1.8
9	Festival Walk	I.T	Retail	Apparel & Fashion Accessories	1.7
10	MON	Japan Information Processing Service	Office	Information Technology	1.6

As of 31 March 2019, about 97% of leases at Festival Walk (including both retail and office leases), 27% of leases at Gateway Plaza, 4% of leases at Sandhill Plaza and 9% of leases at the Japan Properties have step-up structures in the base rent. This contributes to the portfolio's stable and growing income streams. There have been no income support payments for MNACT since IPO.

The addition of the Japan Properties introduced freehold assets into MNACT's portfolio. In terms of contribution to portfolio valuation, freehold land accounted for 10.3% with the remaining 89.7% on leasehold term as of 31 March 2019.

Strong and Diverse Tenant Base

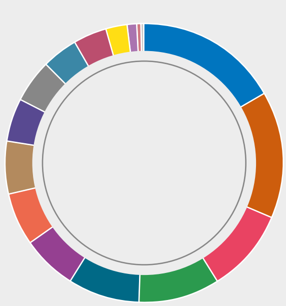
MNACT's enlarged portfolio remains diverse across a broad range of industries. The acquisition of the Japan Properties added 22 high-quality tenants to MNACT's tenant base as of 31 March 2019. Of these, Seiko Instruments Inc. and Fujitsu are included in MNACT's top 10 tenants. Together, MNACT's top 10 tenants accounted for 35.0% of the portfolio GRI for the month of March 2019, while another 354 local and international tenants contributed to the remaining 65.0% of portfolio GRI.

Trade Sector Analysis

With the acquisition of the six Japan office buildings, the portfolio gross revenue contribution from the office sector increased from 36.2% in FY17/18 to 42.6% in FY18/19. Correspondingly, the contribution from the retail and others[1] sector reduced from 63.8% in FY17/18 to 57.4% in FY18/19.

The contribution by the top trade sector to portfolio GRI has also reduced, thereby mitigating the risk of reliance on an industry sector. While Apparel & Fashion Accessories remained the dominant trade sector, it accounted for 16.7% of the monthly portfolio GRI in March 2019, lower than 20.0% in March 2018. The second and third largest sectors by contribution to monthly GRI in March 2019 were the Machinery / Equipment / Manufacturing and the Financial Institution / Insurance / Banking / Real Estate sectors.

MNACT Trade Mix by Monthly GRI (%)
(For the Month of March 2019)



Apparel & Fashion Accessories	16.7
Machinery / Equipment / Manufacturing	14.8
Financial Institution / Insurance / Banking / Real Estate	9.7
Food & Beverages	9.6
Automobile	8.3
Leisure & Entertainment	6.3
Departmental Store & Supermarket	6.2
Professional & Business Services	6.0
Personal Cosmetics	5.1
Services	4.8
Information Technology	4.2
Houseware, Electronics & Furnishings	4.0
Luxury Jewellery, Watches & Accesories	2.6
Pharmaceutical / Medical	1.0
Natural Resources	0.4
Others	0.3

1 Others comprised car park and ice rink income.

Property Portfolio Summary and Review

FESTIVAL WALK

FESTIVAL WALK（又一城）
HONG KONG SAR

Festival Walk comprises a four-storey office tower atop a seven-storey territorial retail mall and three underground car park levels. Situated in the upscale residential area of Kowloon Tong, Festival Walk is directly linked to the Kowloon Tong MTR station and enjoys excellent connectivity between the underground Kwun Tong line and the overland East Rail Line which links Hong Kong SAR directly to the Shenzhen border. The property is also located close to two universities and neighbouring schools, and easily accessible by bus and road networks.

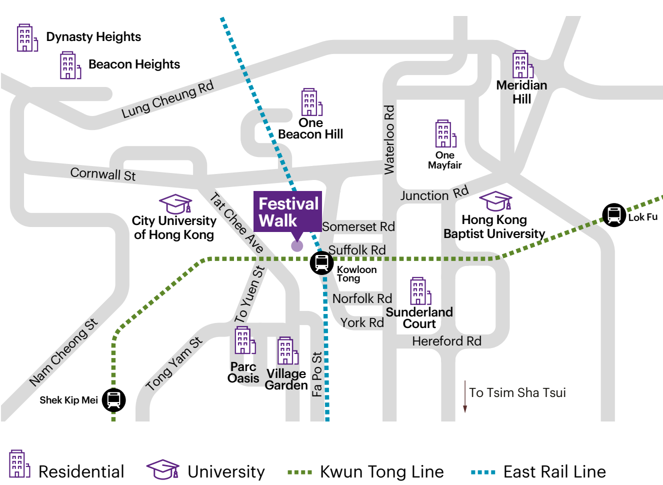
The mall is a premier one-stop shopping, dining and lifestyle destination that offers over 200 local and international brands, as well as more than 50 F&B outlets. Its wide range of amenities includes a large multiplex cinema 'Festival Grand', 'FoodFest' food court and one of Hong Kong SAR's largest ice skating rinks, the 'Glacier'.

Top Tenants by Monthly GRI
(For March 2019)

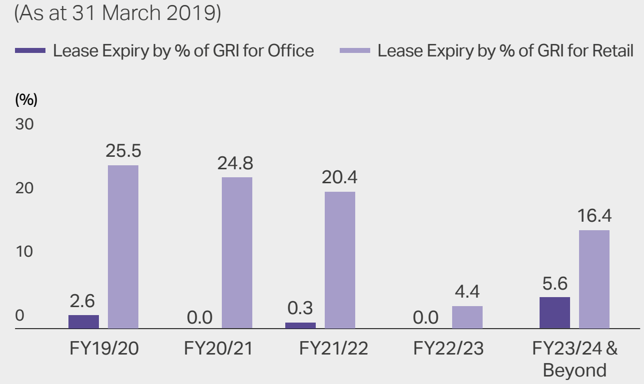
RETAIL
- Apple
- Festival Grand
- HSBC and Premier Centre
- H&M
- I.T
- LOG-ON
- Marks & Spencer
- TaSTe

OFFICE
- Arup
- Prudential

Location



Festival Walk's Lease Expiry Profile by Monthly GRI
(As at 31 March 2019)



No. of Leases				
94	87	67	10	12

Steady Performance at Festival Walk

Festival Walk continued to record a steady operating performance in FY18/19. It remained fully let as of 31 March 2019.

A total of 63 retail leases which expired in the year were renewed or re-let at an average rental reversion of 28%. The higher-than-average reversion was mainly contributed by the lease renewal by one of our anchor tenants[1] during the financial year. Tenant retention rate for the retail leases that expired in FY18/19 remained high at 79%, attesting to the popularity of the mall among tenants. Amidst a more cautious retail sentiment in Hong Kong SAR and the renovations carried out by several key tenants, retail sales at Festival Walk increased 2.2% to HKD5,326 million in FY18/19 while footfall of 41.3 million was 0.9% lower compared to FY17/18.

The office block at Festival Walk was fully occupied as of end March 2019. Average rental reversion of 15% was contributed by two office leases which expired in FY18/19.

New Tenants and Exciting Events

New and exciting retail concepts across diverse trade sectors were introduced into Festival Walk throughout the year. FY18/19 also saw the grand re-opening of one of our anchor tenants – TaSTe supermarket. The tenant had carried out renovations within the supermarket premises in phases, between August 2018 and February 2019, while remaining operational throughout the period. In addition to a wider variety of gourmet offerings and exclusive brands, digital solutions such as the '*TasteToGo*' mobile application and '*Easy Order Kiosks*' were introduced to provide convenience and cater to today's on-the-go lifestyle. A smart robot assistant was also added to engage shoppers through answering simple queries and sharing store promotions. The i.t brand also picked Festival Walk to launch its newly rebranded '*i.t blue block store*', which features a selection of fashion, leisure and homeware brands, improved in-store experience and a new F&B outlet.

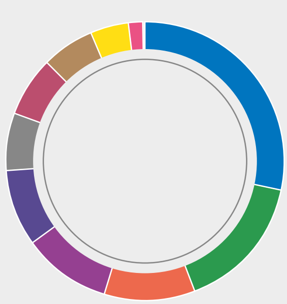
Through collaborations with tenants and partners, we also created several first-of-its kind experiences for our shoppers. The exclusive exhibition in conjunction with the movie release of the '*Avengers: Infinity War*' was a crowd-puller, attracting many shoppers and fans to the mall. Riding on the popular e-sports wave in Hong Kong SAR, Festival Walk hosted the inaugural '*Alisports WESG Hong Kong Esports Festival 2018*'. Shoppers and U-card members had great fun experiencing HADO, a popular augmented reality e-sports game, as well as RaceRoom, a racing game.

Active Asset Enhancement

Asset enhancement initiatives ("AEI") are also planned and executed to maintain the relevance and appeal of Festival Walk. During the year, the Manager commenced asset enhancement works to upgrade the washrooms in the office block. Expected to be completed by FY20/21, the refreshed toilets will feature enhanced interior and green touches to improve energy and water efficiency.

Festival Walk's Tenant Mix by GRI (%)

(As of 31 March 2019)



Apparel & Fashion Accessories	28.4
Food & Beverages	15.9
Departmental Store & Supermarket	10.5
Leisure & Entertainment	10.4
Personal Cosmetics	8.7
Services	6.9
Houseware, Electronics & Furnishings	6.7
Professional & Business Services	6.3
Luxury Jewellery, Watches & Accessories	4.5
Financial Institution / Insurance / Banking / Real Estate	1.7

1 Excluding this, average rental reversion for FY18/19 would have been 12%.

Property Portfolio Summary and Review

FESTIVAL WALK

FESTIVAL WALK GOES DIGITAL

During the year, Festival Walk and our tenants continued to leverage on social media platforms as well as different digital touchpoints to enrich the experience of our shoppers.

With the newly installed **'alfred' smart lockers**, shoppers can collect parcels or food/soup deliveries at their convenience.

Through a collaboration with Apple Inc., indoor navigation for Festival Walk was introduced on the **'Maps' mobile application** where different floors are clearly marked with icons for restaurants, elevators, toilets and shops, making it easier for shoppers to navigate.

Tenants can feature their promotions and events through the **marketing digital panels** prominently displayed within the mall.

Scan here to download:

The mall's mobile application provides shoppers easy access to the latest dining, shopping and parking lot availability information, as well as promotion updates.

Follow us on these platforms:

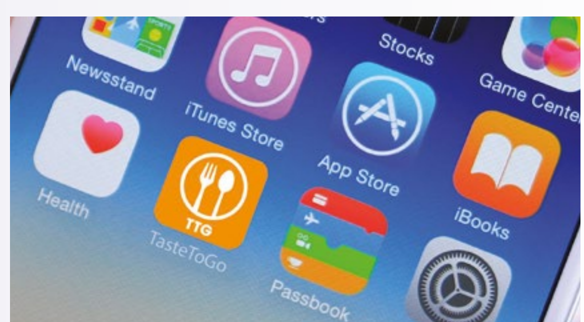
Other social media platforms including **Instagram, Facebook** and a **WeChat microsite** offer shoppers an integrated shopping experience.

One of our tenants, Columbia Sportswear Company, mounted **iPads** next to the products at the store for shoppers to order online for home delivery.

Revolutionising the car buying experience at Festival Walk, the '*Audi Innovation Space*' allows shoppers to experience the features of the car through a **virtual reality** ("VR") device.

Shoppers can select their groceries and other household products, and arrange for self-collection using the **Easy Order Kiosks**, one of the new digital initiatives introduced by TaSTe supermarket.

A **robot assistant**, which can answer simple queries and share store promotions, was introduced at TaSTe supermarket.



With the **'*TasteToGo*' mobile application**, another new initiative from TaSTe, shoppers can order ahead and pick up their meals, without waiting in line.

Property Portfolio Summary and Review

FESTIVAL WALK

FINE-TUNING TENANT MIX

Closely tracking the changing retail consumer trends, the Manager actively engages with existing and new tenants to bring in popular brands to strengthen the mall's offerings. During the year, we expanded the athleisure and cosmetics brands, introduced more brands offering maternity and children products, as well as widened the range of dining options. As the mall was fully occupied throughout the year, demand for pop-up stores remained popular.

Athleisure

1


2

3

Cosmetics

4

5

Apparel

6

F&B

7

8

9

10

11

12

Children & Infants

13

14

1. Nike Kicks Lounge
2. lululemon athletica
3. Go Wild
4. YVES SAINT LAURENT
5. M.A.C
6. bread n butter
7. J.S. FOODIES
8. THE COFFEE ACADEMICS
9. The Night Market
10. TenRen's Tea
11. Lady M New York
12. Tong Tong Town
13. mothercare
14. mannings Baby

Property Portfolio Summary and Review

FESTIVAL WALK

EVENTS AND PROMOTIONS

Well-positioned as a popular destination mall, Festival Walk continues to host a myriad of themed marketing and experiential events throughout the year. These events including movie premieres and festive celebrations featuring celebrities, movie-themed exhibitions, product launches by tenants, car shows as well as beauty product roadshows continued to attract crowds to Festival Walk. The mall's ice skating rink, 'Glacier', also held performances and competitions, as well as workshops for families and children.

Festival Walk was the only mall in Hong Kong SAR to host the '*Avengers: Infinity War*' exhibition and movie kick-off event in 2018, which featured giant figurines, costumes and props from USA.

The '*Allianz Junior Footfall Camp*' press event was held at Festival Walk.

Festival Walk hosted the popular '*Alisports WESG Hong Kong Esports Festival 2018*' which attracted a large number of gaming enthusiasts.

The cherry blossom-themed pop-up store by M.A.C attracted many shoppers.

At the Samsonite EVOA pop-up store at Festival Walk, a leather passport holder workshop was conducted for shoppers.

The mall's Chinese New Year celebrations kick-off event was graced by Hong Kong SAR celebrities Kenneth Ma and Ali Lee.


Shoppers were treated to captivating performances at Festival Walk, in celebration of the mall's 20th anniversary, in conjunction with Christmas.


Car shows remain popular at Festival Walk.

'*IRON KID Summer Challenge on Ice*' at the 'Glacier'.


A skating performance during the ISI Skate Hong Kong 2018 held at the 'Glacier'.


The gala premiere for the movie '*A Lifetime Treasure*' was organised by Festival Grand.


Inside one of the five experiential areas at the '*Samsung Galaxy Studio*' exhibition for the launch of Samsung 10.

Property Portfolio Summary and Review

GATEWAY PLAZA

GATEWAY PLAZA (佳程广场)

BEIJING

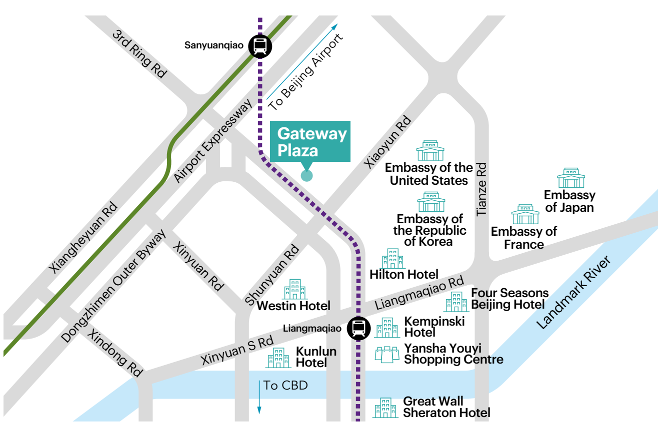
Strategically located in the well-established Lufthansa commercial hub along the Third Ring Road in Beijing, Gateway Plaza is a Grade-A office building consisting of two 25-storey towers connected by a three-storey podium area and three underground floors. Gateway Plaza is home to a diverse group of well-known multinationals and local companies including BASF, BMW, CFLD and Doosan. Providing convenient access to major train, bus and road networks, the property is also located next to the Airport Expressway with direct access to the Beijing Capital International Airport. The building's podium area offers amenities, including Bank of China, Nanyang Commercial Bank, an eye clinic, as well as a good selection of F&B outlets.

Top Tenants by Monthly GRI

(For March 2019)

- BASF
- BMW
- CFLD
- Bank of China
- Changjiu Group
- Doosan
- Nanyang Commercial Bank
- SPX
- Xingya
- Zijin

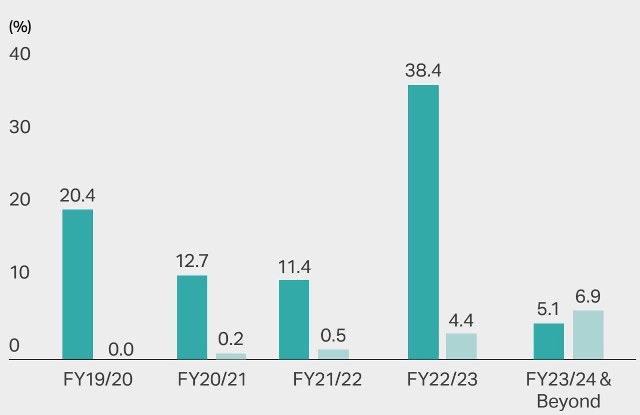
Location



Hotel · Embassy · Shopping Centre · Subway Line 10
Airport Express

Gateway Plaza's Lease Expiry Profile by Monthly GRI

(As at 31 March 2019)



No. of Leases				
28	30	21	9	11

Proactive Asset Management at Gateway Plaza

Gateway Plaza demonstrated resilience during FY18/19 despite weaker demand for office space in Beijing. Proactive marketing and ongoing leasing efforts led to an improvement in portfolio occupancy rate from 96.5% as of 31 March 2018 to 99.0% as of 31 March 2019. A total of 16 office and podium leases with expiries in the year were renewed or re-let at an average rental reversion of 2%. Tenant retention rate for leases that expired in FY18/19 was 66%, while new tenants that took up space were mainly from the domestic financial services and information technology sectors.

More F&B options are available for tenants at the podium area at Gateway Plaza with the opening of Avocado Tree, a Mexican café, during the year. With the increasing focus on wellness, an existing F&B tenant – Charging Box – reconfigured its space to provide an indoor gym and venue to conduct group classes. Healthy meals were also introduced into their food offerings. Currently undergoing renovation, a Japanese restaurant will commence operations in FY19/20.

During the financial year, the asset enhancement works at the toilets and common corridors commenced. This is expected to further enhance the competitiveness of the office building and lower utility consumption. Expected to be completed by FY20/21, the improved toilets will include new fittings while the common corridors will be refreshed with a more contemporary finish.

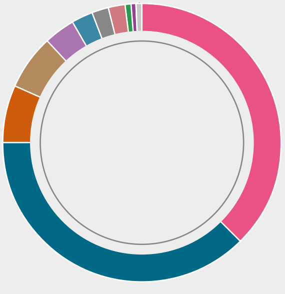
Close tenant engagement remained a key focus during the year. Tenants were invited to events organised by the Manager to celebrate festivities. Newsletters were also another means of outreach to update tenants on the various initiatives at Gateway Plaza.

At a Christmas tenant event held at the lobby.

Avocado Tree, a new café at Gateway Plaza, provides a wide variety of Mexican cuisine.

A photo moment for tenants at Gateway Plaza after the lion dance performance in celebration of Chinese New Year.

Gateway Plaza's Tenant Mix by GRI (%)
(As of 31 March 2019)



Financial Institution / Insurance / Banking / Real Estate	37.7
Automobile	37.5
Machinery / Equipment / Manufacturing	6.6
Professional & Business Services	6.4
Pharmaceutical / Medical	3.6
Information Technology	2.5
Services	2.0
Natural Resources	1.9
Food & Beverages	0.7
Leisure & Entertainment	0.2
Others	0.9

Property Portfolio Summary and Review

SANDHILL PLAZA

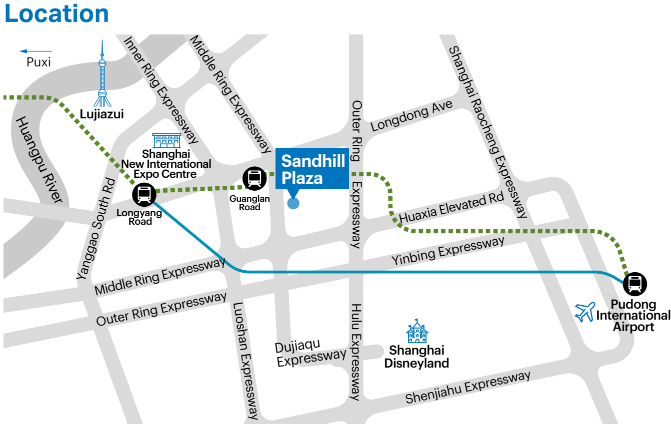
SANDHILL PLAZA (展想广场)
SHANGHAI

Acquired in June 2015, Sandhill Plaza is a premium quality business park development located in the mature area of Zhangjiang Hi-tech Park, part of Shanghai's Free Trade Zone. It comprises one 20-storey tower, seven blocks of 3-storey buildings[1] and two basement levels of car park. Located adjacent to the Middle Ring Expressway, it is within a 30-minute drive to Pudong International Airport, Lujiazui and People's Square in Puxi, as well as within a 5-minute walk to Metro Line 2 Guanglan Road Station. Combining an easily accessible location with a wide range of amenities, as well as a modern interior, the business park is a choice location for leading foreign and local corporations.

Top Tenants by Monthly GRI
(For March 2019)

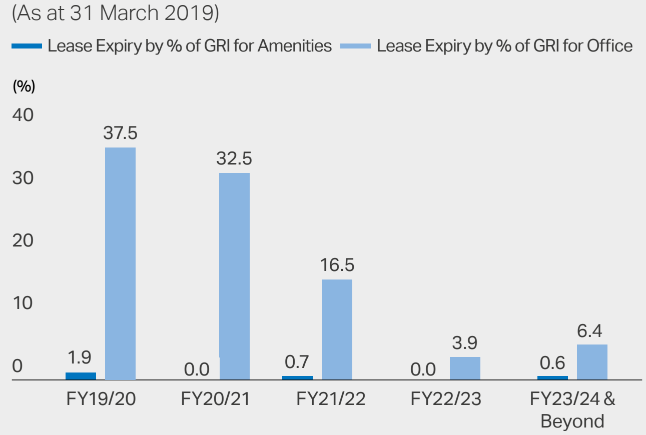
- Analog Devices, Inc.
- Axalta
- Borouge
- Disney
- DowDuPont
- Hanwuji
- Huaxintong
- Pixelworks
- Spreadtrum
- Xinweilai

Location



Airport ···· Metro Line — Maglev Train

Sandhill Plaza's Lease Expiry Profile by Monthly GRI
(As at 31 March 2019)



	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24 & Beyond
No. of Leases	29	25	15	2	3

1 There are eight blocks of low-rise (three-storey) buildings within the subject premises, of which one block is separately owned by a third party and does not form part of the acquisition.

Healthy Performance by Sandhill Plaza

At Sandhill Plaza, the Manager continued to attract and retain quality tenants, engage them on their requirements and secure early commitment for expiring leases.

As a result of proactive leasing efforts, Sandhill Plaza registered a high occupancy of 99.3% as of 31 March 2019 and posted a healthy average rental reversion of 15% for 12 leases which expired in FY18/19. Tenant retention rate for the leases that expired in FY18/19 was 65%. New tenants during the year were mainly from the domestic manufacturing and information technology sectors.

During the year, the Manager continued to extract operating efficiencies through initiatives including the installation of energy-efficient LED lights at the common areas of the office levels at the tower block, as well as the installation of a landscape irrigation system that utilises recycled rainwater, leading to a reduction in overall water consumption.

In close engagement with tenants, the Manager organised a series of activities throughout the year to celebrate festivities and events. Held at the lobby area, the activities provided opportunities for tenant interaction and created a vibrant community. To promote healthy living, a pay-per-use mobile gymnasium was also added within the premises of Sandhill Plaza. Using a mobile application, tenants can easily reserve and access the fitness equipment available at the gym.

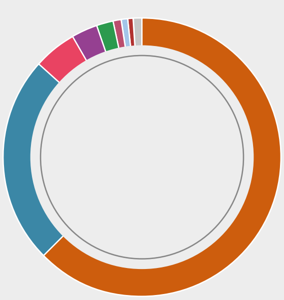

At a calligraphy session during the Mooncake Festival celebration event.


Giving out special morning treats to Sandhill Plaza's tenants to mark International Women's Day.

A mobile gymnasium was installed during the year, providing convenience to the tenants.


Tenants at Sandhill Plaza took part in a Christmas tree decorating competition while enjoying free coffee and cotton candy.

Sandhill Plaza's Tenant Mix by GRI (%)
(As of 31 March 2019)



Machinery / Equipment / Manufacturing	62.7
Information Technology	24.0
Financial Institution / Insurance / Banking / Real Estate	5.2
Leisure & Entertainment	3.0
Food & Beverages	1.8
Houseware, Electronics & Furnishings	0.9
Renewable Energy	0.7
Culture	0.6
Others	1.1

Property Portfolio Summary and Review

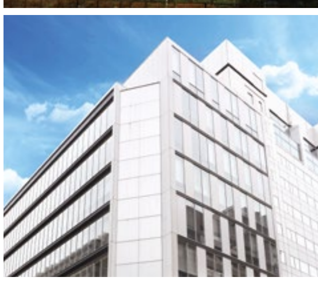
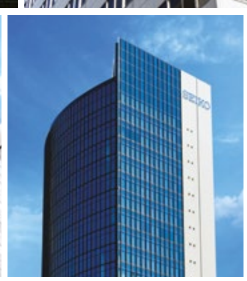
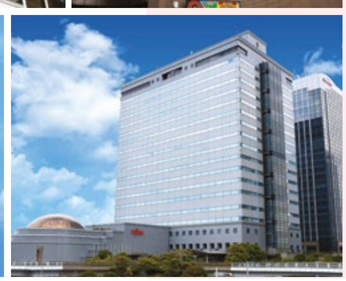
JAPAN PROPERTIES

JAPAN PROPERTIES

Acquired in May 2018, the Japan Properties comprise six freehold office buildings with good-quality specifications. Situated close to busy train stations, public transportation nodes and major arterial roads, the properties provide good connectivity for our tenants.

The six office buildings are
- three office buildings in Tokyo: IXINAL Monzen-nakacho Building (MON), Higashi-nihonbashi 1-chome Building (HNB) and TS Ikebukuro Building (TSI);
- an office building in Yokohama: ABAS Shin-Yokohama Building (ASY); and
- two office buildings in Chiba: SII Makuhari Building (SMB) and Fujitsu Makuhari Building (FJM).



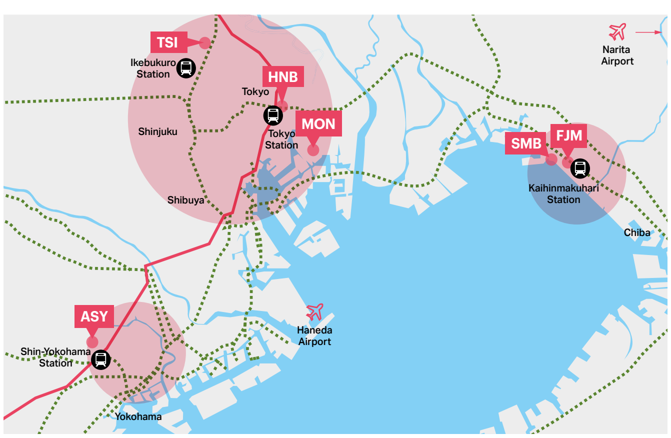





Top Tenants by Monthly GRI

(For March 2019)

- Advance
- AIRI
- Fujitsu
- Japan Information Processing Service
- Lawson
- PERSOL
- Rentas
- Seiko Instruments Inc.
- Shigematsu
- Tender Loving Care Services (a nursery)

Location



Key Office Markets   Airport   Railway Line   Shinkansen Line

Lease Expiry Profile of the Japan Properties by Monthly GRI

(As at 31 March 2019)

	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24 & Beyond
No. of Leases	7	5	5	1	4

Stable Contribution from the Japan Properties

Our active leasing efforts have resulted in full occupancy of the Japan Properties as of 31 March 2019 and an average rental reversion of 6% for the two leases that expired during the year. With a WALE of 4.7 years as of 31 March 2019, the Japan Properties have about 14.8% of the leases (by GRI) expiring in FY19/20. The remaining leases are well-spread out, with the majority expiring in FY23/24 and beyond.

The Manager continued to carry out initiatives to improve cost efficiency of the Japan Properties during the financial year. At TSI, the elevator maintenance contract was converted from a partial to a full maintenance contract to provide a more comprehensive coverage for repairs. Electricity consumption at ASY is expected to reduce after the installation of energy-saving air-conditioner compressors at the building in FY18/19.

As part of the Manager's continuous efforts to improve the workplace environment, decorative flowers and plants were added to brighten up the lobby and main corridor at FJM. These were well-received by the tenant.

The Japan Properties comply with the seismic safety standards and have a Probable Maximum Loss[1] value of less than 15%, indicative of low exposure to earthquake risks. In line with the general market practice in Japan, they do not have specific earthquake insurance coverage.

Why the Japan Properties?

Japan provides attractive commercial real estate acquisition opportunities with largely freehold land tenure and at relatively high yield spread against local cost of funds.

- √ Strategic locations with excellent connectivity
- √ Freehold portfolio with good specifications
- √ Offers high yield spreads, not available in Hong Kong SAR / China
- √ Stable and quality cash flows
- √ DPU accretive
- √ Enhances geographical and income diversification
- √ Experienced and dedicated management team in Japan

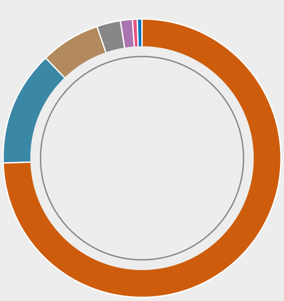
(For further details, please refer to MNACT's SGX Announcement dated 28 March 2018 titled "Proposed Acquisition of a Portfolio of Six Freehold Office Properties in Greater Tokyo, Japan")

Lobby of SMB.

Natural Lawson, a convenience store at the ground level of ASY.

Japan Properties' Tenant Mix by GRI (%)

(As of 31 March 2019)



Machinery / Equipment / Manufacturing	74.5
Information Technology	13.3
Professional & Business Services	7.1
Services	2.7
Pharmaceutical / Medical	1.4
Financial Institution / Insurance / Banking / Real Estate	0.6
Apparel & Fashion Accessories	0.4

1 Probable Maximum Loss ("PML") is a gauge commonly used to assess a property's seismic resistance and a PML of 15% is deemed to be sufficiently safe from earthquakes.

Independent Market Research

By Savills (Hong Kong) Limited

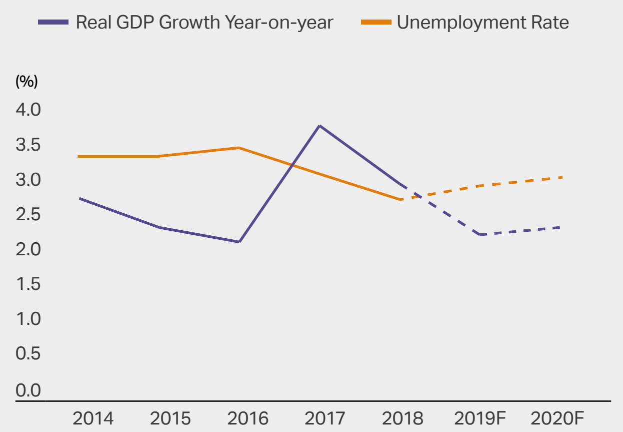
Hong Kong SAR[1]

Economy

- According to the Census and Statistics Department, Hong Kong SAR's GDP increased by 3.0% in 2018, easing from the 3.8% growth rate recorded in 2017.
- Exports grew moderately in 2018, but slowed sharply in the latter part of the year as Hong Kong SAR faced risks from the US-China trade dispute and softer global demand.
- Underpinned by a low unemployment rate of 2.8%, domestic demand was broadly resilient. However, growth in private consumption expenditure moderated in the second half of 2018 due to the market uncertainties and softer sentiment.

Outlook

- GDP growth is expected to be 2.3% in 2019, according to FocusEconomics.
- Supported by a low unemployment rate, domestic consumption is expected to grow by 2.9% in 2019.



Source: Census and Statistics Department and FocusEconomics

Hong Kong SAR Retail Market

Existing Shopping Mall Supply in Hong Kong SAR: 123M sq ft (End-2018)
1.4% Year-on-year

- At the end of 2018, shopping malls accounted for 123 million sq ft in terms of gross floor area ("GFA"). Around 39% is situated within the four core retail areas of Central, Tsim Sha Tsui, Mong Kok and Causeway Bay/ Wanchai while about 17% is concentrated in three key decentralised retail areas, namely, Kowloon East[2], Sha Tin and Island East. Collectively, the main retail areas are referred to in this report as the "seven key retail districts". The remaining 44% comprises malls in other emerging areas on Hong Kong Island, in the New Territories and on Lantau Island.
- The top 10 malls in terms of GFA, of which Festival Walk is ranked 4th largest, made up 8.5% of total shopping mall space at the end of 2018.
- In 2018, a total of 1.35 million sq ft of shopping malls was completed, an increase of 25% over 2017. Approximately 44% was concentrated in the seven key retail districts and these include T.O.P. (114,000 sq ft) in Mong Kok.
- There were no new malls completed in Kowloon East in 2018.

Tsim Sha Tsui / Mong Kok	34%	Island East	11%
Central	18%	Kowloon East	11%
Causeway Bay / Wan Chai	18%	Sha Tin	8%

Source: Rating and Valuation Department, Savills Research and Consultancy

1 All data and figures on the retail market are from Savills Research & Consultancy and they relate to the seven retail districts as outlined on page 44, unless otherwise stated. Please refer to page 56 on the limitations of the report. All floor areas in this section are "internal floor area" unless otherwise stated, which is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/or party walls.

2 MNACT's Hong Kong SAR retail property, Festival Walk, is located in Kowloon Tong, within the Kowloon East area. It has 980,089 sq ft (GFA) of retail space.

Potential Shopping Mall Supply : 4.0M sq ft
(Within the Seven Key Retail Districts)
From 2019F to 2023F in Total

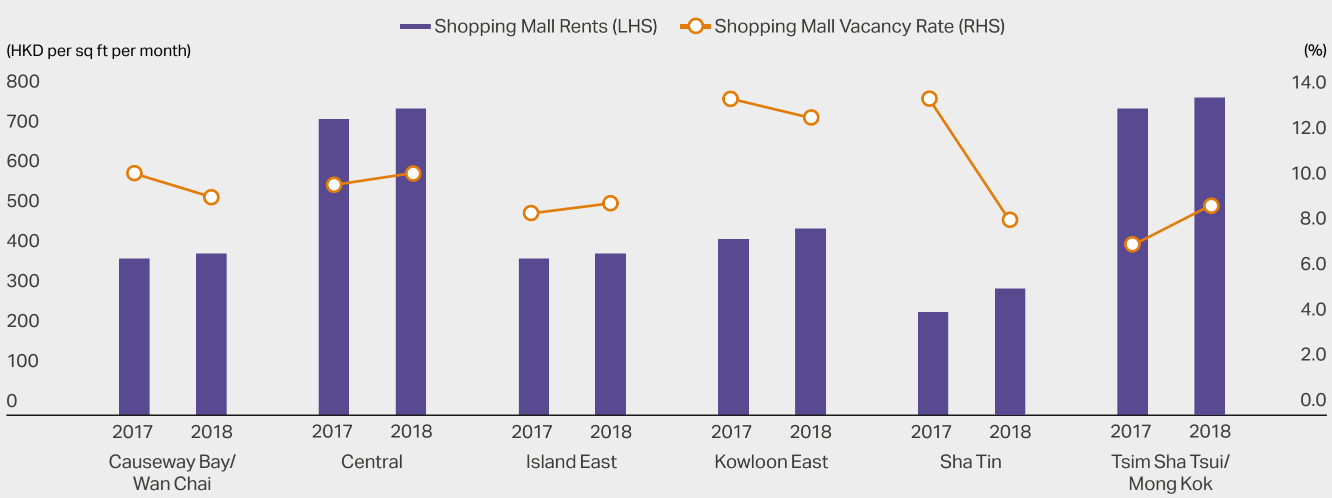
- In 2019, new shopping malls (including the K11 MUSEA located in Tsim Sha Tsui) occupying a total of 1.0 million sq ft within the seven key retail districts is scheduled to be completed.
- From 2020 to 2023, an additional 3.0 million sq ft of new shopping mall space within the seven key retail districts is in the pipeline, 2.8 million sq ft of which will be located in Kowloon East. However, these malls are located away from Kowloon Tong and are not likely to impact Festival Walk's operations.
- Outside the seven key retail districts, another 1.3 million sq ft of shopping centre supply will be completed in 2019, 1.0 million sq ft of which is mostly located in the New Territories.

Vacancy Rate : 9.3% (End-2018)
0.1 Percentage Points Year-on-year

- The average vacancy rate of shopping malls in the seven key retail districts increased from 9.2% at the end of 2017 to 9.3% at the end of 2018.
- Vacancy rate edged up mainly due to the increase in new supply in 2018.
- Kowloon East's vacancy rate was 12.5% in 2018, slightly lower than the 13.0% recorded in 2017, as more companies relocated their offices to the area, bringing additional demand for retail.
- Sha Tin's vacancy rate dropped to 7.9% in 2018 from 13.1% in 2017, given that there was no new supply in 2018 and 2016-2017's supply had been steadily absorbed.

Shopping Mall Rents : 1.6% Year-on-year
(Gross Effective Rate End-2018)

- Rents were driven by the rising number of tourist arrivals, a steady economy and stable domestic consumption expenditure.
- Rents for malls in Kowloon East grew 3.0% over 2018 supported by strong local consumption due to a healthy labour market and limited competition in the area.
- For 1Q 2019 compared to 4Q 2018, overall shopping mall rents in the seven key retail districts were lower, while rents in Kowloon East remained unchanged.



Independent Market Research

By Savills (Hong Kong) Limited

Total Retail Sales : HKD485B (in 2018)

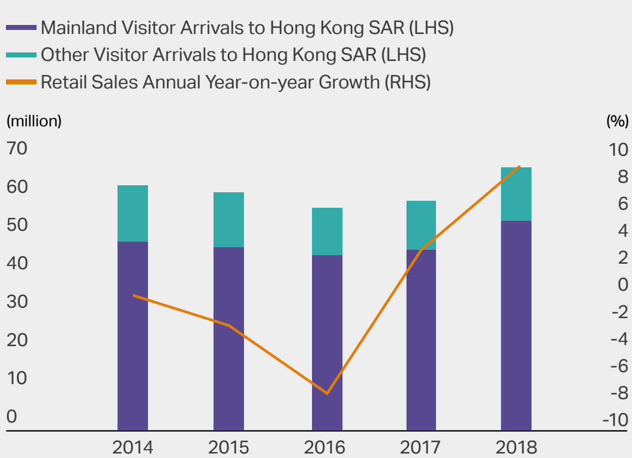
8.8% Year-on-year

- Retail sales rebounded significantly by 8.8% year-on-year to reach HKD485.2 billion in 2018.
- The numbers were underpinned by a rebound in Mainland visitor arrivals and higher local consumption.
- The fastest-growing categories by sales were *medicines and cosmetics*, which grew 14.3% year-on-year, and *jewellery, watches and clocks, and valuable gifts*, which increased 13.7% year-on-year. Sales in the *clothing and footwear* category registered a 6.7% increase in 2018 compared to 2017. *Food and beverage* sales receipts grew 4.7% while the supermarket category was up 1.2%.
- While retail sales growth returned in the first half of 2018, it moderated in the second half of 2018. Weak stock markets, a softer property market, uncertainties surrounding the US-China trade spat and a weak RMB clouded spending sentiment.
- For the first three months of 2019, Hong Kong SAR's retail sales saw a decline by 1.2% compared to the same quarter in 2018, reflecting the cautious consumption sentiment amid external uncertainties.

Tourist Arrivals : 65.1M (in 2018)

11.4% Year-on-year

- Tourist arrivals in Hong Kong SAR grew 11.4% to a record 65.1 million in 2018 led by a surge in Mainland Chinese visitor arrivals numbers, which increased by 14.8%.
- The opening of two major cross-border transport links, the Guangzhou-Shenzhen-Hong Kong SAR High Speed Rail Link in September 2018 and the Hong Kong SAR-Zhuhai-Macau Bridge in October 2018, made it more convenient for visitors to travel to Hong Kong SAR.
- The new cross-border day-trippers from China spent more on daily necessities such as *health care, F&B* and *cosmetics* against luxury items.



Source: Census and Statistics Department, Hong Kong Tourism Board

Online Retail Sales : HKD17.3B (in 2018)

Only 3.6% of Total Hong Kong SAR Retail Sales

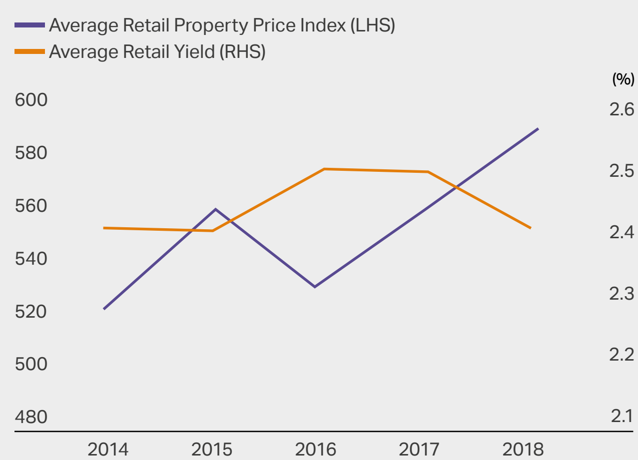
- According to Euromonitor, online retail revenue rose 14.3% in 2018 compared to a year ago. However, online sales are still a long way from replacing physical stores as their share of total retail sales in Hong Kong SAR stood at only 3.6% in 2018.
- Nevertheless, amid the evolving retail landscape, shopping malls are increasingly marketing, selling and serving customers via multiple channels including physical stores, e-commerce, mobile applications and social media to provide a seamless shopping experience.
- There is also a growing adoption of AI-driven smart stores, robots and self-service checkouts by mall tenants and landlords.
- More retailers are harnessing customer data to better understand shoppers' preferences.

Average Retail Property Price (City-wide) : 5.9% Year-on-year (End-2018)

Average Retail Yield (City-wide) : 2.4% (End-2018)

0.1 Percentage Points Year-on-year

- The recovery of retail sales supported the 5.9% growth in the average retail property price and the low average retail yield of 2.4% at the end of 2018.
- For 1Q 2019, the average retail yield reached 2.8% while the average retail property price remained unchanged compared to 4Q 2018.
- For 2019, the change in average retail property price is expected to range between -5% and +5% compared to 2018. The average retail yield is expected to remain compressed.



Other Retail Trends in Hong Kong SAR

- Children's retailers are expected to continue to expand, as well as fitness centres, sportswear brands and other tenants promoting a healthy lifestyle.
- Increasingly more shopping mall space will be allocated to F&B, along with the introduction of differentiated concepts and cuisines.
- More stores are now putting more emphasis on experiential retail to offer a holistic retail experience, where shoppers can eat, shop and attend workshops all in one space.
- Pop-up stores will remain popular as retailers test new products and gauge the market response.

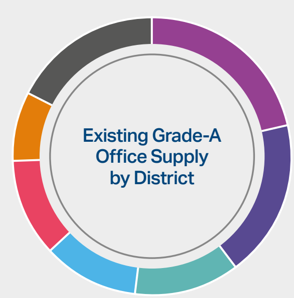
Outlook

- Amidst the cautious consumer sentiment and in the absence of a major stimulus, retail sales are expected to moderate to around 1.9% in 2019, followed by a slightly higher growth of 2.8% in 2020, according to the latest forecasts by FocusEconomics.
- Moving forward, a rebounding stock market, a possible resolution of the US-China trade conflict and a more dovish stance by the US Federal Reserve on interest rate hikes could improve consumer sentiment.
- Given the cautious sentiment of retailers, Savills has projected a single-digit increase in shopping mall rents over 2019.
- In addition, demand in Hong Kong SAR's retail market will shift more towards the mass market, in view of the changing profile and spending patterns of Mainland Chinese visitors.
- As the retail landscape grows and evolves, malls which continually differentiate themselves in terms of asset enhancements, marketing events and tenant mix are expected to command higher rents.

Hong Kong SAR's Office Market[1]

Existing Grade-A Office Supply : 83.7M sq ft (End-2018)
2.4% Year-on-year

- The office districts in Hong Kong SAR comprise core office areas (Central and fringe-CBD areas namely Tsim Sha Tsui and Causeway Bay/Wan Chai) as well as non-core office areas including Kowloon East[2], Island East and Western Corridor.
- A notable trend in recent years is the shift in tenant demand to non-core locations, supported by the significant rental differential between core and non-core areas.
- A total of 1.9 million sq ft net of new Grade-A office space was added in 2018, and this was all in non-core office areas.
- 795,000 million sq ft net or 40.3% of overall new office space in 2018 was completed in Kowloon East. New buildings include Mapletree Bay Point (528,000 sq ft net) and FTLife Tower (266,500 sq ft net).



Central	21%	Tsim Sha Tsui	11%
Kowloon East	18%	Island East	10%
Causeway Bay / Wan Chai	12%	Others	17%
Western Corridor	11%		

Source: Rating and Valuation Department, Savills Research and Consultancy

1 All data and figures on the office market are from Savills Research & Consultancy. Please refer to page 56 on the limitations of the report.
2 MNACT's Hong Kong SAR property, Festival Walk, is located in Kowloon Tong, within the Kowloon East area. It has 228,665 sq ft (GFA) of office space.

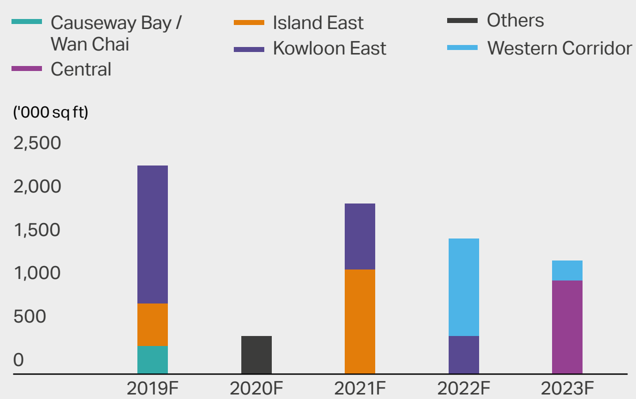
Independent Market Research

By Savills (Hong Kong) Limited

Potential Grade-A Office Supply : 7.2M sq ft Net

From 2019F to 2023F in Total

- Over the next five years, 83% of new supply will be in non-core office areas, in line with the decentralisation trend as occupiers relocate from the more expensive core office areas. About 2.8 million sq ft net will come on stream in Kowloon East.
- Kowloon East is expected to surpass Central, to account for 18% of total Grade-A office stock by 2022.
- This will inevitably create some short-term pressure on both occupancy and rental levels in Kowloon East, but in the long-run, the potential clustering of high-quality Grade A offices should strengthen the area as it emerges as the second CBD of Hong Kong SAR.
- In 2019, the two largest projects to be completed in the area are The Quayside (627,000 sq ft net) and NEO (424,000 sq ft net).



Source: Buildings Department, Savills Research & Consultancy

Vacancy Rate : 8.7% (City-wide End-2018)

0.9 Percentage Points Year-on-year

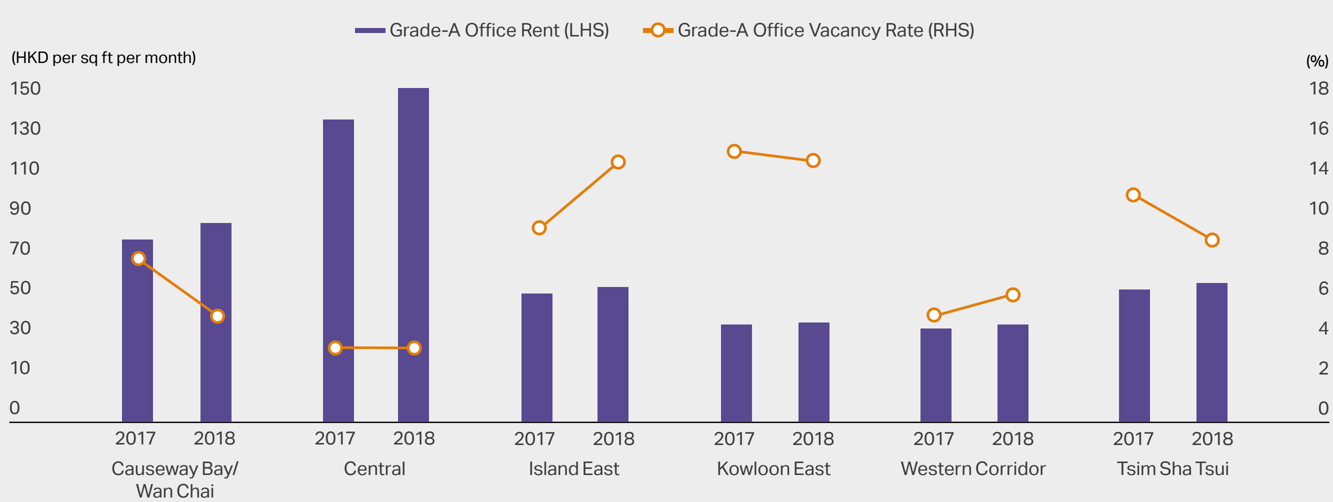
- The overall vacancy rate dipped to 8.7% compared to 9.6% at the end of 2017.
- Approximately 82% of the vacancy is in strata-titled stock held by investors.
- In the Kowloon East area, although there has been a large amount of new supply, the vacancy rate stabilised at 14.8% at the end of 2018, supported by strong take-up by co-working operators as well as the back offices of banks and insurance companies.

Grade-A Office Rents : HKD76.7 per sq ft per month (End-2018)

(Effective Rent Based on Net Floor Area)

7.8% Year-on-year

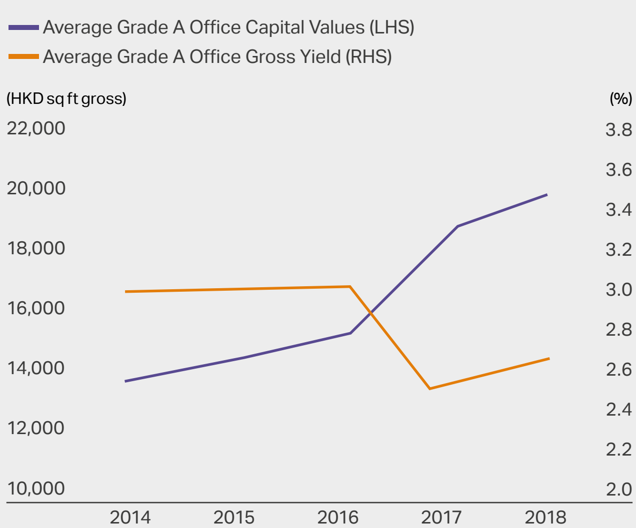
- Rents continued to rise in most districts as tenants searched for a falling number of decentralised alternatives.
- Take-up was underpinned by expansion demand by Mainland Chinese firms in Central and cost-saving relocation demand in decentralised areas.
- By sub-market, Kowloon East recorded the lowest annual rental growth, with rents increasing by 1.9% in 2018 to reach HKD35.5 per sq ft per month due to abundant new supply.
- Rents in core office areas posted faster growth than rents in non-core office areas due to a low vacancy rate environment in the core office areas.
- For 1Q 2019 compared to 4Q 2018, average Grade-A office rents grew 1.6%.



Average Grade-A Office Capital Value : HKD20,272 per sq ft (End-2018)
4.5% Year-on-year

Average Grade-A Office Gross Yield : 2.6% (End-2018)
0.1 Percentage Points Year-on-year

- 2018 proved to be another strong year for Hong Kong SAR's office investment market as Mainland Chinese firms and local investors continued to push up capital values which were in turn supported by the limited availability of investment grade stock.
- However, in light of the financial volatility in the second half of 2018, the growth in average Grade-A capital value of office buildings moderated to 4.5%, down from the 26.2% growth achieved in 2017.
- The average Grade-A office gross yield also moved up marginally at the end of 2018 to 2.6% compared to 2.5% in 2017. Due to worries about the trade war between China and the US, and stock market adjustments, office prices were down in the second half of 2018. However, office rents remained on an upward trend as limited availability continued to support the market.
- In 1Q 2019, overall Grade-A office price increased by 0.1% quarter-on-quarter while the average Grade-A office yield rose to 2.6%.
- We expect the average office price to drop by 5% in 2019, and investment yields to stabilise with rising capital costs.



1 Net take-up is the change in total occupied space in 2018 compared to 2017.

Net Take-up[1] : 2.52M sq ft (in 2018)

- Overall leasing demand was strong in 2018 with net take-up of around 2.52 million sq ft.
- Net take-up was mainly driven by Mainland Chinese companies, technology firms, finance and professional services companies, as well as flexible workspace operators.
- Mainland Chinese corporates accounted for the majority of leasing demand in core office areas while co-working operators took up space in both core and non-core office locations.
- With office rents in core office areas, especially Central, at new highs, more multinationals and the back offices of banks and insurance companies moved to more affordable non-core locations such as Island East and Kowloon East.
- However, towards the second half of 2018, leasing activity softened due to tight capital controls in China, stock market volatility and the ongoing US-China trade conflict.

Key Office Trends

Co-working space providers and technology companies have continued to expand.

The co-working space providers are increasing their footprint outside Central. Over 80% of co-working space was situated in the fringe CBD and non-core areas at the end of 2018.

More new buildings are also adopting green features while some have been certified as green buildings.

Outlook

- Technology companies and flexible space providers will remain the major sources of demand in 2019, though it is uncertain if co-working demand is sustainable.
- Average Grade-A rents are expected to grow modestly in 2019 but a protracted trade war and/or a sustained stock market sell off could reverse the upward trend.
- Although the US-China trade war has not yet had a significant negative effect on the office leasing market, there could potentially be negative knock-on effects into the broader economy in 2019.
- In the mid to long term, Hong Kong SAR's office sector is well-positioned for growth with the development of the Greater Bay Area as well as other potential cross-border investment programmes between Hong Kong SAR and Mainland financial markets.

Independent Market Research

By Savills (Hong Kong) Limited

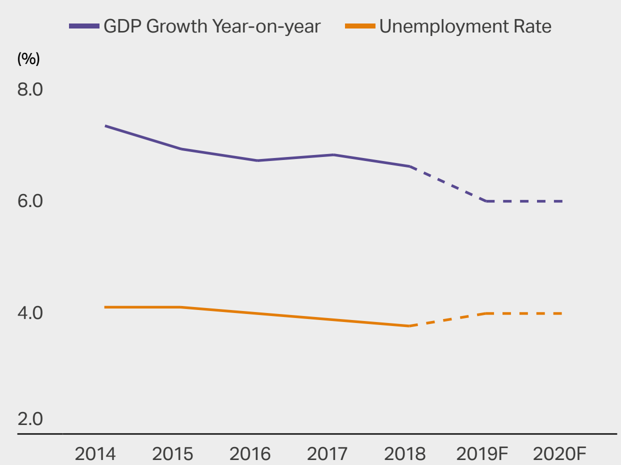
China[1]

Economy

- China's GDP growth[2] cooled slightly to 6.6% in 2018 from a year earlier, weighed down by weaker investment and exports, and lower consumer confidence as a result of US-China trade tensions, leaving 2018 growth the weakest in 28 years.
- Utilised foreign direct investment[2] ("FDI") into China increased by 3% year-on-year to US$142 billion in 2018, marking a slowdown from a growth rate of 7.9 percent in 2017.
- While the unemployment rate[2] remained low at 3.8% at the end of 2018, concerns have been growing since late 2018 regarding the impact of the trade war on jobs and incomes, thus affecting personal spending.

Outlook

- According to FocusEconomics, China's economic growth is expected to moderate to 6.0% in 2019 and 2020.
- However, the impact could be somewhat mitigated by positive progress from the US-China trade talks and the government's provision of more stimulus measures.



Source: GDP and Unemployment Rate figures from 2014 to 2018 are from the National Bureau of Statistics. Forecast figures from 2019 to 2020 are from FocusEconomics.

Beijing Office Market

Existing Grade-A Office Supply : 11.0M sq m (End-2018)

2.6% Year-on-year

- Beijing's Grade A office stock can be divided into nine major submarkets, namely three prime districts – Central Business District ("CBD"), Beijing Financial Street ("BFS") and Zhongguancun ("ZGC"), as well as six non-prime locations comprising Lufthansa[3], CBD Vicinity, East 2nd Ring, East Chang'an Avenue, Wangjing and Asian-Games Village ("AGV"). Emerging districts such as Lize and others currently host minimal levels of stock.
- Nine projects amounting to approximately 520,000 square metres ("sq m") of office space were completed in 2018, of which 68% was developed for self-use.
- About 47% of the new supply was concentrated in Wangjing which has remained a favoured leasing choice, particularly for tenants with large space requirements (of above 2,000 sq m). Meanwhile, the remainder was distributed across non-traditional business precincts such as Sanyuanqiao (12.5%), Andingmen (8.8%), Chongwenmen (10.6%) and Caishikou (21%).
- There were no new buildings in the CBD area during 2018 as developers continued to face delays including having to meet new height restrictions imposed by the government as well as a lack of power supply in the area.
- Lufthansa area saw no new supply during the year.

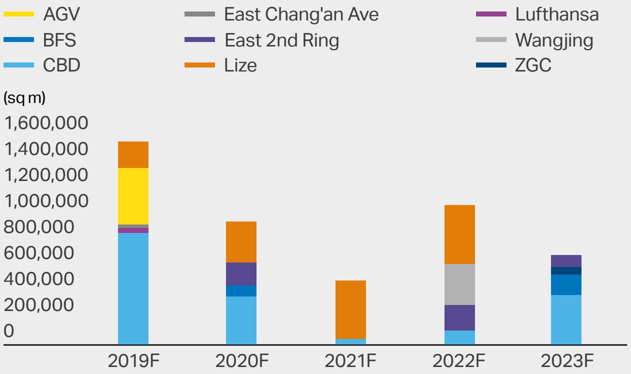
CBD	20%	East Chang'an Ave	5%
BFS	18%	East 2nd Ring	5%
CBD Vicinity	12%	AGV	4%
Wangjing	10%	Lize	3%
ZGC	10%	Others	6%
Lufthansa	7%		

1 All data and figures on the office market are from Savills Research & Consultancy and they relate to the ten office submarkets (including Lize) as outlined on page 50, unless otherwise stated. Please refer to page 56 on the limitations of the report.
2 National Bureau of Statistics.
3 MNACT has one office property – Gateway Plaza – in Lufthansa, Beijing. It has a GFA of 106,456 sq m.

Potential Grade-A Office Supply : 4.4M sq m

From 2019F to 2023F in Total

- With the delayed 2018 CBD projects coming on stream, 2019 is expected to see a record high of about 1.5 million sq m of new supply.
- 36% of the future five-year supply will be concentrated in the CBD, namely the CBD Core Plot Area.
- Lize Financial Business District, an emerging master-planned financial hub located in the south of the city, will account for 31% of the new supply.
- New supply in Lufthansa over the next five years is limited, with only one 48,500 sq m office project to be completed in 2019.



Vacancy Rate : 7.0% (City-wide End-2018)

0.6 Percentage Points Year-on-year

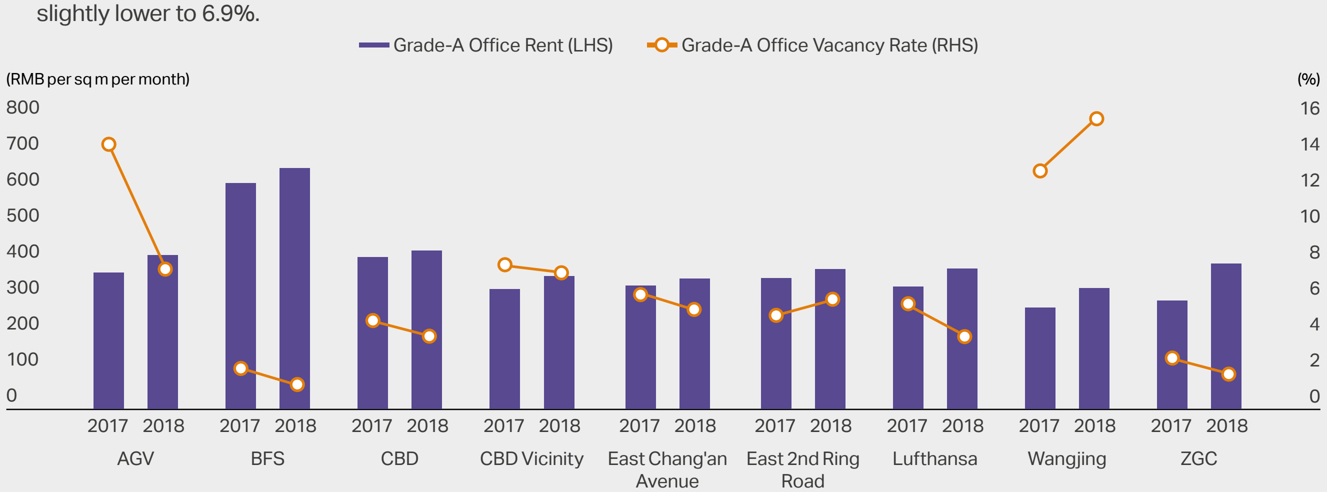
- The city-wide vacancy rate edged down by 0.6 percentage points at the end of 2018 to 7.0% compared to a year ago.
- This is due to the higher take-up from mainly technology firms and to a lesser extent, finance companies, coupled with limited new supply.
- The two technology and financial hubs – Zhongguancun and Financial Street – maintained their low vacancy rates of 1.5% and 1.3% respectively.
- The vacancy rate in the Lufthansa submarket also held steady at 3.6% in 2018. While not a traditional precinct for technology and financial companies, in recent years, the burgeoning tertiary sector has seen these two sectors emerge as the main drivers of tenant demand in the Lufthansa area which is well-known for its cluster of embassies, multi-national corporations ("MNCs") and international hotels.
- At the end of 1Q 2019, the average vacancy rate inched slightly lower to 6.9%.

Average Grade-A Office Rent : RMB369 per sq m per month

(Net Effective Rate End-2018)

10.9% Year-on-year

- Robust demand from the technology and services sector, supported by limited new supply in the city, led to the 10.9% year-on-year growth in the average Grade-A office rent to RMB369 per sq m per month at the end of 2018.
- Lufthansa's average rents also grew in tandem by 11.0% to RMB352 per sq m per month.
- At the end of 1Q 2019, overall average Grade-A office rents were slightly lower by 0.3% quarter-on-quarter to RMB368 per sq m per month. Lufthansa's average Grade-A office rent was 0.3% lower quarter-on-quarter at RMB351 per sq m per month.

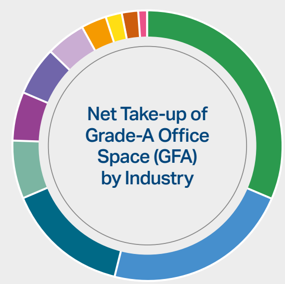


Independent Market Research

By Savills (Hong Kong) Limited

Net Take-up[1] : 541,000 sq m (in 2018)

- Domestic enterprises were the main driver behind the net-take up of 541,000 sq m in 2018.
- By comparison, MNCs were cautious in terms of their leasing needs due to the protracted trade spat and moderating economy.
- The *information technology ("IT") & high-tech* sector took the top spot in terms of net take-up and accounted for 31.6% of all lease transactions in 2018. This is in line with Beijing's innovation-driven strategy to further develop the city's R&D and manufacturing expertise across a range of high-tech industries.
- Affected by tighter regulation, the *financial* sector, which was the top sector in terms of net take-up of space in 2017, saw slower leasing demand in 2018, accounting for 22.6% in terms of net take-up.



IT & High-tech	31%	Manufacturing	5%
Finance	22%	Bio/Medicine	3%
Professional Service	15%	Real estate	2%
Culture & Media	7%	Fast-moving Consumer Goods	2%
Energy/Chemistry	6%	Conglomerates	1%
Co-working space	6%		

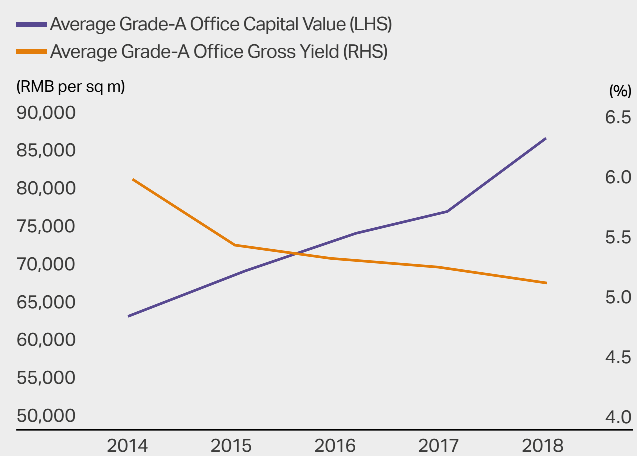
Average Grade-A Office Capital Value : RMB87,476 per sq m (End-2018)

13.6% Year-on-year

Average Grade-A Office Gross Yield[2] : 5.1% (End-2018)

0.2 Percentage Points Year-on-year

- While concerns about a trade war have pulled China's stock markets down by approximately 20% and the Renminbi has weakened during the year, these headwinds have not dampened investment appetite for office properties in Beijing. As a result, the overall Grade-A average office gross yield tightened by 0.2 percentage points to 5.1% at the end of 2018.
- The average Grade-A office capital value increased by 13.6% year-on-year at the end of 2018 to RMB87,476 per sq m as a result of limited investable office opportunities.
- At the end of 1Q 2019, the average capital value of Grade-A offices was slightly lower by 0.1% at RMB87,390 per sq m while the average Grade-A office gross yield remained at 5.1%.



Key Office Trends

While Beijing saw rapid growth in the co-working sector in the first half of 2018, some local co-working operators started to scale back their expansion plans. In addition, landlords have adopted a more cautious approach in terms of leasing office space to co-working operators.

As the digital economy rapidly develops in the future, leasing demand from related companies is expected to continue to rise.

Landlords who can provide better service differentiation and property management are preferred.

1 Net take-up is the change in total occupied space in 2018 compared to 2017.

2 The computation of gross yields is based on the average of actual rental values (assuming full occupancy) as a percentage of gross property values. The computation of capital values is based on the unweighted average of capital values of selected market transactions.

Outlook

- The technology and finance sectors are expected to remain the major demand drivers.
- Cost sensitivity among multinationals will continue to drive decentralisation in markets with high CBD rental costs such as Beijing.
- A slowdown in economic growth and uncertainty surrounding the trade dispute with the US may see a softening of leasing demand, which might cause rental growth to moderate in 2019.
- By the end of 2019, city-wide vacancy is expected to increase to 11.1%.
- Policies to relax foreign investment restrictions to accelerate the opening up of certain sectors coupled with a potentially positive outcome from the US-China dispute may boost office demand in the city.
- Despite a city-wide supply peak coming onstream in 2019, landlords of projects in precincts with limited supply pipelines such as Lufthansa are likely to see resilient rents.
- In the longer term, office submarkets with limited supply pipelines will benefit from the new urban planning policy[1] which restricts future supply of commercial assets. Vacancy is expected to slowly decline in Lufthansa, while the average rent will continue to edge up.

Shanghai Business Park Market[2]

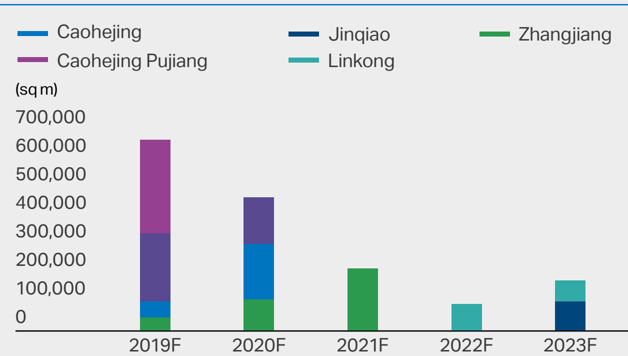
Existing Grade-A Office Supply : 10.6M sq m (End-2018)
5.4% Year-on-year

- The six key business parks in Shanghai are Zhangjiang Hi-tech Park[3] ("Zhangjiang"), Caohejing, Jinqiao, Linkong, Caohejing Pujiang and Lujiazui Software Park. They had a total of about 10.6 million sq m (GFA) of Grade-A office stock at the end of 2018.
- Zhangjiang, Caohejing, Jinqiao and Lujiazui business parks are more mature, providing better connectivity and a wider range of amenities, while Linkong and Caohejing Pujiang have less developed infrastructure and facilities.
- In 2018, these six business parks received 540,300 sq m of new Grade-A office supply, with over 60% located in the three largest business parks, namely Zhangjiang, Caohejing and Jinqiao.
- In Zhangjiang, two new projects, Sandhill Central and Zhangrun Building, totalling 106,800 sq m by GFA were completed during the year.

Zhangjiang	26%	Linkong	12%
Caohejing	24%	Caohejing Pujiang	10%
Jinqiao	21%	Lujiazui Software Park	7%

Potential Grade-A Office Supply : Around 1.5M sq m
From 2019F to 2023F in Total

- Total Grade-A stock is estimated to reach about 12.1 million sq m (GFA) by the end of 2023.
- A majority of the future supply will be located in Jinqiao (31%), Caohejing Pujiang (23%) and Zhangjiang (22%).
- Within Zhangjiang, new completions for the next five years are concentrated in the central zone. The north zone, where Sandhill Plaza is located, is more established and has good transport connectivity.
- For 2019, the central zone of Zhangjiang is expected to see only one new project, Haiqu Park Phase 2 (48,000 sq m), come on stream.



1 Based on the new urban planning policy announced in September 2018, the development of new commercial facilities of over 10,000 sq m is largely forbidden within the central area of Beijing (within the North, East and West Fifth Ring Road and South Fourth Ring Road).

2 All data and figures are from Savills Research & Consultancy and they relate to the six business parks as outlined on page 53, unless otherwise stated. Please refer to page 56 on the limitations of the report.

3 MNACT has one property – Sandhill Plaza – in Zhangjiang, Shanghai. It is located within the north zone of Zhangjiang Hi-tech Park and has a GFA of 83,801 sq m.

Independent Market Research

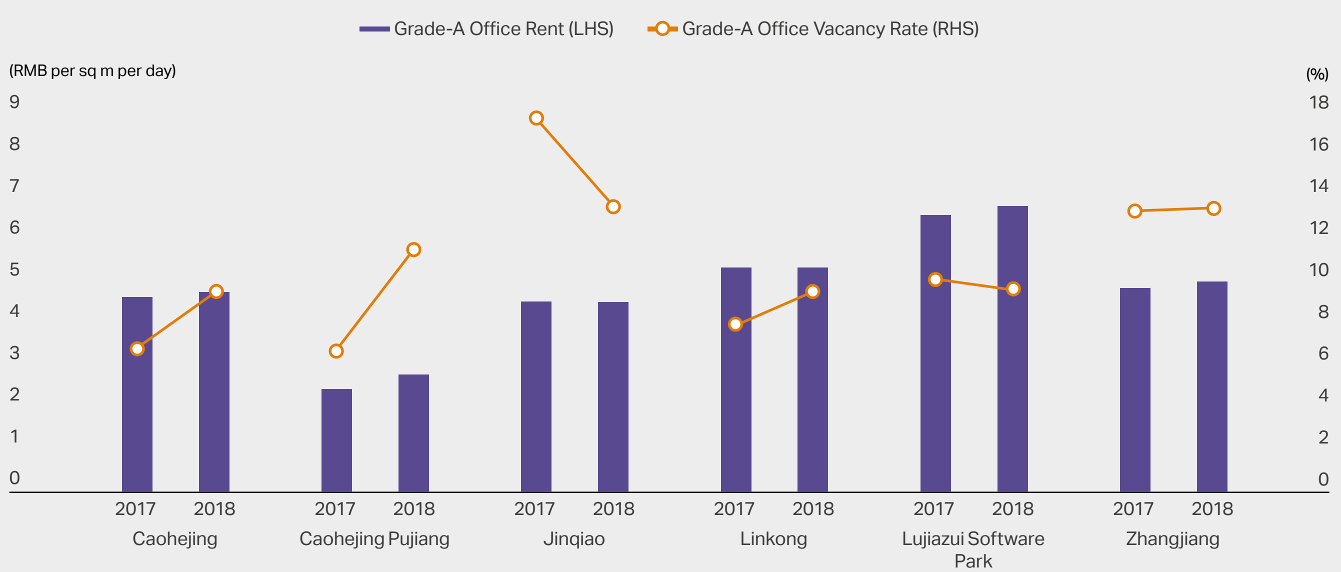
By Savills (Hong Kong) Limited

Vacancy Rate : 10.1% (End-2018)
0.2 Percentage Points Year-on-year

- Healthy net take up of the 497,100 sq m of business park space in 2018 led to a slight improvement in overall vacancy by 0.2 percentage points to 10.1% at the end of 2018, despite the influx of new supply.
- Vacancy rates differ across the six business parks. Among the three largest business parks, the vacancy rate in Zhangjiang and Caohejing rose by 0.1 percentage points and 2.4 percentage points to 12.9% and 9.1% respectively at the end of 2018 while the vacancy rate in Jinqiao declined by 3.4 percentage points to 13.6% at the end of 2018.
- Comparing the end of 1Q 2019 to the end of 4Q 2018, overall vacancy rate in the six business parks increased 0.5 percentage points to 10.6%.

Average Grade-A Office Rent : RMB4.8 per sq m per day (End-2018)
0.6% Year-on-year

- Average Grade-A office rent in the six business parks ranged between RMB2.3 and RMB6.8 per sq m per day, maintaining a sizeable rental discount compared to Shanghai's CBD office markets with an average office rent of RMB9.0 per sq m per day.
- In general, healthy leasing demand was seen in most of the business parks in 2018, resulting in the modest pick-up in average Grade-A rents of 0.6% compared to a year ago. However, the new supply and the subdued economic outlook limited the pace of rental growth.
- For Zhangjiang, rents edged up 0.9% year-on-year at the end of 2018 to RMB4.8 per sq m per day. Zhangjiang remained attractive due to its improving connectivity and better quality developments.
- Lujiazui Software Park was a notable exception. Its 6.3% increase in rental growth was mainly attributable to its close proximity to Pudong's financial district and limited new supply.
- Comparing the end of 1Q 2019 to the end of 4Q 2018, the average rent for the six business parks remained stable at RMB4.8 per sq m per day.



Net take-up[1] : 500,000 sq m (in 2018)

- Of the net take-up of approximately 500,000 sq m in 2018, domestic companies accounted for over 70% of leasing transactions, with the remainder from multinational corporates.
- There was more demand from domestic companies as some foreign companies were more cautious with relocations and expansions in light of the ongoing trade tensions.
- About 45% of net take-up in 2018 was from the *information technology (IT)* companies, in line with the country's macro-economic transition to higher value-added sectors.
- Key demand also came from the *retail & trade, healthcare and manufacturing* sectors. There was also increased take-up of space from the *co-working* sector.

Information Technology	45%	Finance	5%
Retail and Trade	18%	Commercial and Professional Services	1%
Healthcare	9%	Transportation	1%
Manufacturing	7%	Consumer Services	1%
Media and Entertainment	6%	Real Estate	1%
Business Centres and Co-working Spaces	5%	Energy and Raw Materials	1%

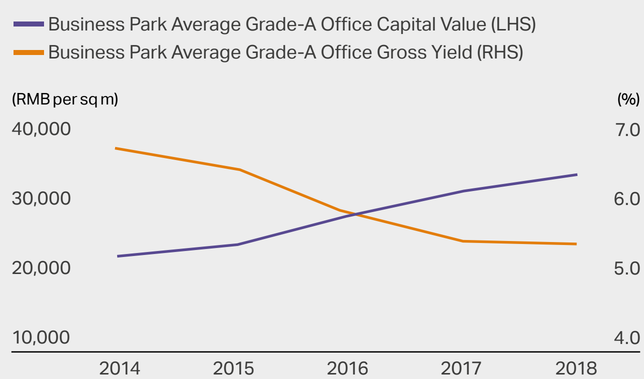
Average Grade-A Office Capital Value : RMB31,900 per sq m (End-2018)

2.4% Year-on-year

Average Grade-A Office Gross Yield : 5.4% (End-2018)

0.1 Percentage Points Year-on-year

- Investment activity in the business park market increased in 2018, accounting for as much as 25% of Shanghai's total office transaction volume compared to 13% a year ago.
- Compared to the end of 2017, the average Grade-A office capital value increased by approximately 2.4% to an average of RMB31,900 per sq m at the end of 2018 while the average Grade-A gross yield[2] compressed by 10 basis points to 5.4% at the end of 2018.
- There was strong investment appetite from both domestic and foreign investors, who took advantage of the wider yield spread offered by the business park sector compared to the low average Grade-A office yield of 4.6% in the CBD area.
- At the end of 1Q 2019, both average gross yield and average capital value per sq m held steady compared to the end of 4Q 2018, given the more subdued business outlook and macro-economic environment.



1 Net take-up is the change in total occupied space in 2018 compared to 2017.
2 Based on assumed 100% occupancy rates.

Independent Market Research

By Savills (Hong Kong) Limited

Key Business Park Trends

Demand from IT (including the semi-conductor industry), co-working, manufacturing, as well as healthcare (including the bio-medical industry) sectors is expected to continue as these tenants are attracted to the expanding infrastructure and Zhangjiang's transformation into a global innovation and technology hub ("Science City").

In addition, there are increasingly more amenities such as hospitals, schools and rental apartments in the business park submarkets.

New developments, redevelopments and renovations are also raising the quality of building stock in the six business parks.

Outlook

- Healthy leasing demand, especially from the domestic IT, semiconductor and bio-medical sectors, is expected to mitigate the impact of rising supply, thus supporting a steady average vacancy of around 11% to 12%. The increase in average rents is expected to remain modest at between 2% to 3% in 2019.
- New leasing opportunities may emerge for some foreign companies as China gradually removes barriers to entry to certain industries such as the financial and automobile industries for foreign players. However, companies in the manufacturing and trading sectors which are vulnerable to higher tariffs arising from the ongoing trade tensions are expected to become more cautious with their relocation and expansion plans.
- Business park transactions are expected to remain active as the asset class offers higher yields compared to prime office assets in the central business district of Shanghai.
- The newly expanded Metro Line 13 and plans to further improve the transport connectivity to the city area are expected to attract more companies to business parks, in line with Zhangjiang's vision to be a global innovation and technology hub.

LIMITATIONS ON THE REPORT

This report contains forward-looking statements which state Savills (Hong Kong) Limited's (the Consultant) beliefs, expectations, forecasts or predictions for the future. The Consultant stresses that all such forecasts and statements, other than statements of historical fact, outlined in this report should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forecasts involves assumptions about a considerable number of variables which are very sensitive to changing conditions. Variations of any one may significantly affect outcomes and the Consultant draws your attention to this.

The Consultant therefore can give no assurance that the forecasts outlined in this report will be achieved or that such forecasts and forward-looking statements will prove to have been correct and you are cautioned not to place undue reliance on such statements. The Consultant undertakes no obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise, except as required by law, and all forward-looking statements contained in this summary report are qualified by reference to this cautionary statement.

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Simon Smith
Senior Director
Head of Research & Consultancy, Asia Pacific

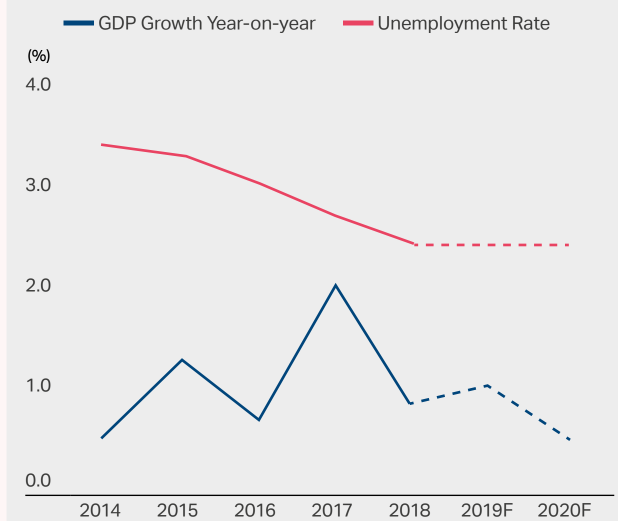
Japan[1]

Economy

- Based on preliminary estimates from the Cabinet Office of Japan, Japan's GDP grew by 0.8% year-on-year in 2018, marking its seventh consecutive year of increase.
- The growth was underpinned by improvements in private capital investments, increased household consumption and higher tourist spending. The job market also remained tight with a low unemployment rate at below 3% at the end of 2018.
- However, compared to 2017's GDP growth of 1.9%, GDP growth in 2018 was lower as Japan was temporarily affected by natural disasters in the third quarter of 2018.

Outlook

- According to International Monetary Fund, Japan's GDP is expected to grow by 1.0% in 2019 before moderating to 0.5% in 2020.
- Trade agreements to bolster exports, tax rebates and public spending leading up to the 2020 Tokyo Olympics are expected to contribute positively to GDP growth.
- The Bank of Japan's policy decision in April 2019 to continue to keep short term and long term interest rates low is also expected to sustain growth.
- Key risks include the impact of protracted trade tensions and the consumption tax hike to be effective October 2019.

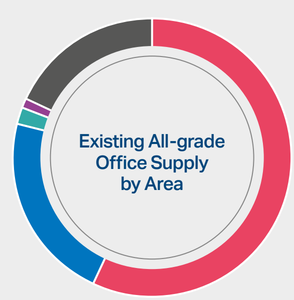


Source: GDP figures from 2014 to 2018 are from Cabinet Office of Japan, while the forecasts from 2019 to 2020 are from International Monetary Fund. Unemployment figures from 2014 to 2018 are year-end figures from Ministry of Internal Affairs and Communications while the forecasts from 2019 to 2020 are from Oxford Economics.

Greater Tokyo Office Market

Existing All-Grade Office Supply: 23.0M tsubo[2] (End-2018)
1.3% Year-on-year

- The office market of the Greater Tokyo Area comprises the Tokyo Metropolis (including the 23 wards of Tokyo)[3], Chiba Prefecture, Kanagawa Prefecture (including Yokohama City) and Saitama Prefecture.
- As of end 2018, 57% of the office stock by net lettable area is concentrated in the central five wards in Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya), with another 22% in the outer 18 wards in Tokyo, and the remaining in the other prefectures.
- Approximately 0.3 million tsubo of office space were added in 2018, an increase of 1.3% over the total office supply end-2017, to meet tenant demand for newer buildings especially in the central five wards.
- Of the new supply in 2018, about 80% were in the central five wards. These include large-scale buildings[4] such as Otemachi Place East/West Towers in Chiyoda ward and Nihonbashi Takashimaya Mitsui Building in Chuo ward.
- There were no new large-scale buildings in 2018, which are in close proximity to MNACT's Japan Properties.



Central Five Wards	57%	Chiba/Funabashi	1%
Outer 18 Wards	22%	Others	18%
Yokohama	2%		

1 All data and figures on the office market are from Cushman & Wakefield unless otherwise stated. Please refer to page 60 on the limitations of the report.
2 1 tsubo = 3.30579 square metres.
3 Three of MNACT's Japan Properties are located in the outer 18 wards of Tokyo and they comprise IXINAL Monzen-nakacho Building (in Koto ward), Higashi-nihonbashi 1-chome Building (in Chuo ward) and TS Ikebukuro Building (in Toshima ward). The other three properties comprise SII Makuhari Building and Fujitsu Makuhari Building (both in Chiba) and ABAS Shin-Yokohama Building (in Yokohama).
4 Large-scale offices are defined as buildings with net lettable area of more than 6,000 tsubo.

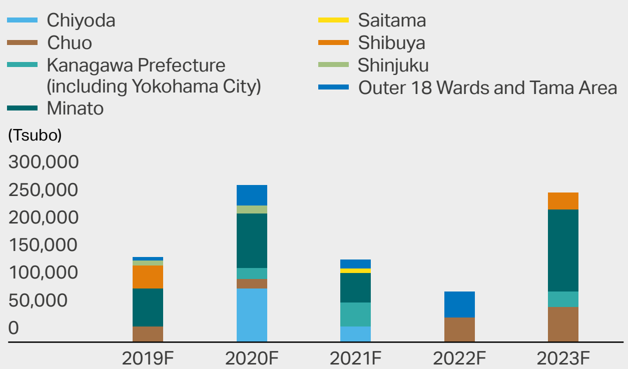
Independent Market Research

By Cushman & Wakefield K.K.

Potential Office Supply in Greater Tokyo : 826,653 tsubo

From 2019F to 2023F in Total

- The majority of the upcoming office supply in the next few years will be in the central five wards, while only 12.3% of large-scale office supply will be added to the outer 18 wards and Tama area in Tokyo in Tokyo. New large-scale office supply in the Yokohama area over the next five years will be limited, accounting for around 48,061 tsubo or about 5.8% of the total supply.
- While new buildings to be completed in 2019 have achieved high commitments, new supply in 2020 and beyond may exert downward pressure on rents.
- No new large-scale office supply has been planned for the Makuhari, Chiba area from 2019 to 2023.



All-Grade Vacancy Rate : 1.3%

(Tokyo 23 Wards as of End-2018)

0.9 Percentage Points Year-on-year

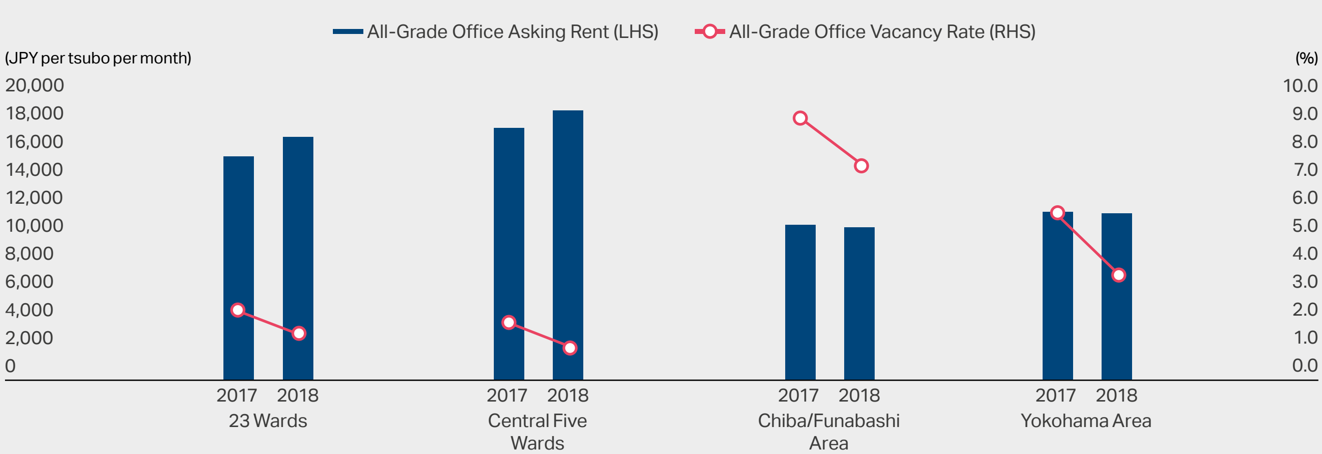
- Vacancy rate of the Tokyo office market remained tight at 1.3% as of end-2018 despite the influx of new supply.
- For the central five wards, the record low vacancy of 1.0% was due to strong pre-leasing commitments from technology and professional services companies as well as robust demand from co-working operators.
- The other 18 wards also saw lower vacancy rates as of end-2018 compared to as of end-2017 as they attracted a deep, diverse pool of tenants due to the spillover demand from the central five wards, in addition to strong pre-leasing commitments from technology and professional services companies.
- For Yokohama, vacancy rate dipped to 3.2% due to new demand from co-working operators and expansion demand from Japanese multinational corporates.
- Expansion demand from existing tenants in Chiba also led to the improvement in vacancy rate to 7.2% as of end-2018.

All-Grade Asking Office Rents : JPY16,338 per tsubo per month

(Tokyo 23 Wards as of End-2018)

5.0% Year-on-year

- The tight vacancy in 2018 led to the moderate growth in asking office rents of 5.0% as of end-2018 compared to as of end-2017 for the 23 wards.
- In the Yokohama and Chiba areas, asking rents held relatively steady as of end-2018, as landlords were more conservative in terms of rental expectations in order to lease vacant space.
- Comparing 1Q 2019 to 4Q 2018, asking rents in the central five wards, 23 wards, Yokohama Area and Chiba Area grew 0.8%, 1.7%, 5.4% and 1.3%, respectively due to the tight vacancy, improved leasing sentiments and stronger macroeconomic conditions.



Source: Sanko Estate

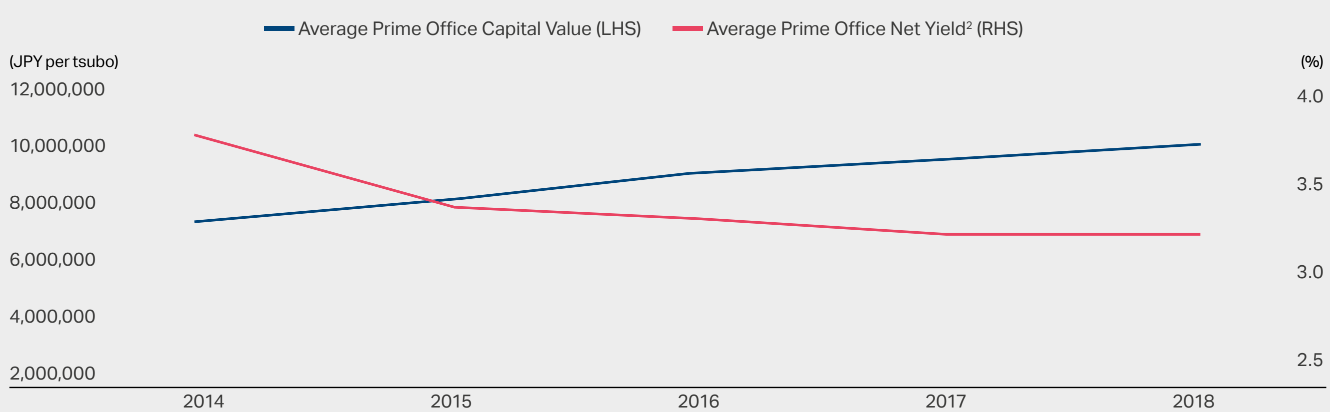
Net Take-up[1] **: 420,000 tsubo in 2018**
(For the Greater Tokyo Area)

- During the year, net take-up for office space was positive with 420,000 tsubo recorded in 2018 compared to 365,000 tsubo in 2017.
- Comparing 2018 to 2017, tenants in the *information technology, flexible working and professional services* sectors were the major demand drivers.
- Demand was also driven by tenants who upgraded their offices to improve their working environment. Other companies expanded their space as a result of consolidation to convenient locations in the Greater Tokyo area.

Average Prime Office Capital Value : JPY10,218,786 per tsubo (End-2018)
(Central Five Wards)
4.6% Year-on-year

Average Prime Office Cap Rate : 3.2% (End-2018)
(Central Five Wards)
Remained the Same Year-on-year

- In light of increased rents and improving macroeconomic fundamentals in Japan, the average capital value of Grade-A office buildings in the central five wards recorded a 4.6% increase to JPY10,218,786 per tsubo as of end-2018 as compared to end-2017.
- The average prime office cap rate for the central five wards remained compressed at 3.2% as of end-2018. As such, more investors seeking higher yields have expanded to locations outside the central five wards, bringing down the average prime rates at areas such as Yokohama and Chiba to 3.9% and 4.5% as of end-2018 respectively.
- As office assets in Tokyo offer a wider yield spread over 10-year bonds at 3.5 to 4.0 percentage points as compared to other key Asian cities, investment transactions are expected to remain robust in 2019.
- With continued demand from investors into 2019, capital value and capitalisation rate are expected to remain at the current levels compared to 2018.



Key Office Trends

- Strong demand from co-working space providers and technology companies.
- Several domestic landlords are starting their own co-working service products.
- More employers are placing priority to providing a positive working environment for their employees.
- Increasing preference for buildings with amenities such as childcare facilities to attract the female workforce.

1 Net take-up is the change in total occupied space in 2018 compared to 2017.
2 Net yields (cap rate) are derived from the percentage of stabilised net income to market price of indicative transactions. Capital values are valuation based, taking into consideration the weighted average of actual market rent, expense ratio and the above market net yields.

Independent Market Research

By Cushman & Wakefield K.K.

Outlook

- The positive trend in the Greater Tokyo office market should persist in 2019.
- Vacancy rate is expected to remain tight in 2019, especially for the areas outside of the central five wards where incoming supply is limited.
- Strong demand is expected from tenants for lower grade and more affordable buildings, typically with monthly rents of below JPY30,000 per tsubo.
- However, economic uncertainty stemming from the on-going trade tensions could weigh on business sentiment. Based on Bank of Japan's March 2019 business sentiment survey ('Tankan'), large enterprises have already shown signs of a weakening outlook in their profits.
- This may result in tenants having more bargaining power over landlords, leading to a moderation in rents in coming years although rents in 2019 is still likely to show a slight increase.

LIMITATIONS ON THE REPORT

Cushman & Wakefield K.K. (C&W) prepared this market report with data from the Government of Japan, reliable research institutions and C&W proprietary databases. C&W does not perform any independent verification for data or information provided by external third-party and does not warrant its accuracy or completeness.

This report presents current as well as the likely future market conditions as perceived by the markets. For any "forward-looking statements" in the report, C&W assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. The estimation of the future demand and supply for office market may not materialize and unanticipated events and circumstances may occur; therefore, actual results may vary from our estimates and variations may be material.

C&W does emphasise that the estimation of future market conditions and outlook should be regarded as an indicative assessment of possibilities rather than absolute certainties. Our Directors confirm that, as of the 30 April 2019, to their best knowledge after taking reasonable care, there is no material adverse change in the market information since the date of this report which may qualify, contradict or have an impact on the information disclosed.

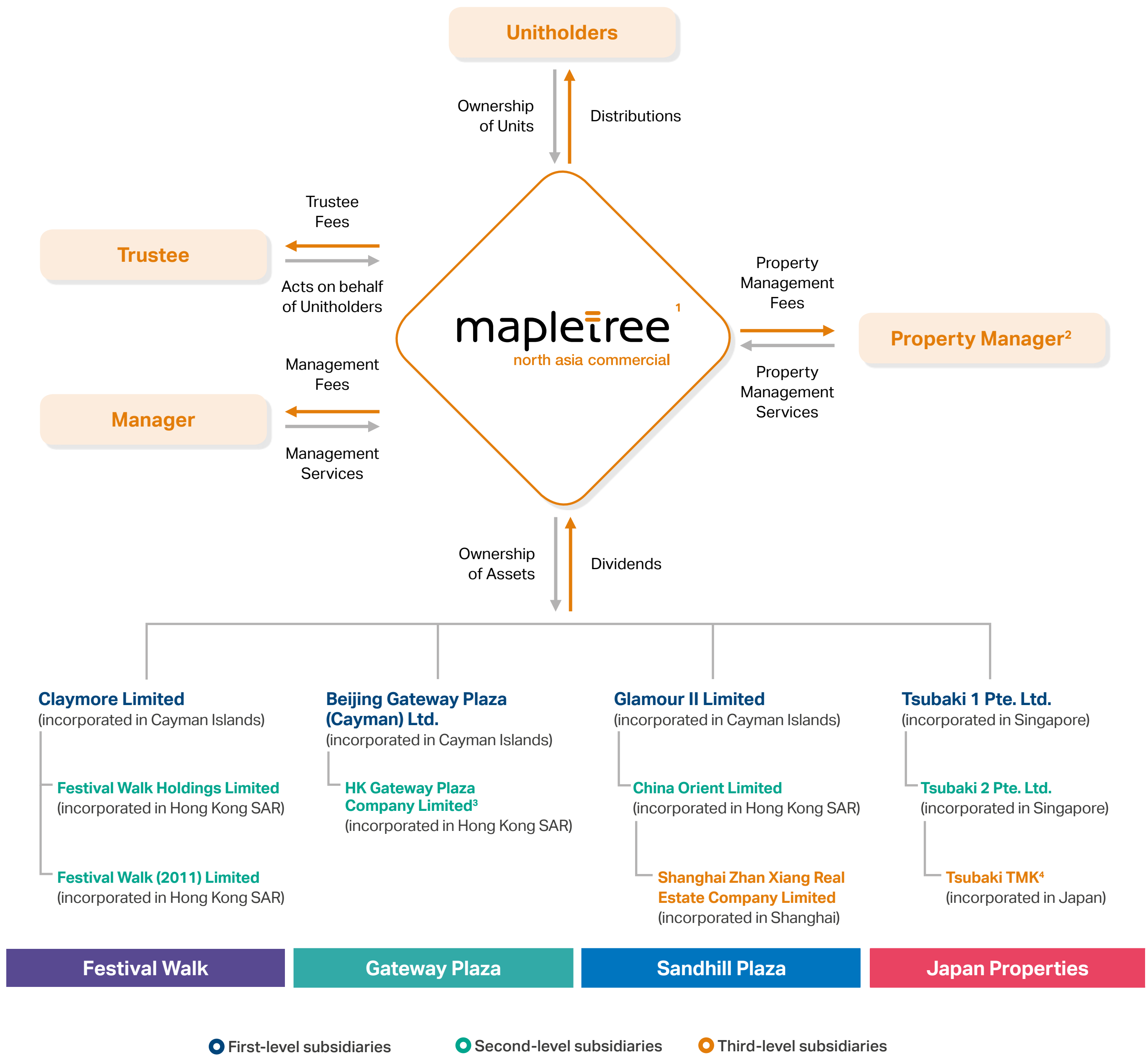
This report is prepared for market information purpose only and is not intended for trading purposes. All charts within are for illustration only. It should not be regarded as a solicitation for purchase and sale of trust beneficiary rights nor other investment products. The report is not a comprehensive or formal opinion or audit concerning any matter.

In no event will C&W or any persons associated with C&W be liable for damages of any kind, under any legal theory, arising out of or in connection with the use, or inability to use this report, including any direct, indirect, special, incidental, consequential or punitive damages, including loss of revenue, loss of profits, loss of business or anticipated saving, loss of use, loss of goodwill or loss of data. These limitations do not affect any liability which cannot be excluded or limited under applicable law. When making investment decisions, one should not rely on this report and should always seek advice from independent professional advisers specialized in finance, legal affairs, accounting, taxation etc. User should critically evaluate when using any information of the report. Any investment decision is the sole judgment and responsibility of the user.

Hideaki Suzuki

Hideaki Suzuki
Director
Head of Research & Consulting, Japan

Trust Structure



Notes:

1. The Trustee holds 100.0% of Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd., which holds 100.0% of Mapletree North Asia Commercial Treasury Company (HKSAR) Limited (the "Hong Kong Treasury Company"). The Hong Kong Treasury Company is a special purpose vehicle incorporated in Hong Kong SAR and owned by MNACT for the purposes of (i) lending, borrowing or raising money, (ii) carrying out foreign exchange and interest rate hedging activities, financial futures trading, financial derivatives trading and other risk management activities in foreign currency or (iii) any other treasury management functions for and on behalf of MNACT.
2. The Property Manager was appointed pursuant to the Master Property Management agreement entered into between the Manager, the Trustee and the Property Manager. Both the Manager and the Property Manager are wholly-owned subsidiaries of the Sponsor.
3. HK Gateway Plaza Company Limited holds 100.0% of Gateway Plaza Property Operations (Beijing) Limited, a company incorporated in China. Gateway Plaza Property Operations (Beijing) Limited was established to facilitate the registration of tenancy agreements between HK Gateway Plaza Company Limited and tenants of Gateway Plaza. HK Gateway Plaza Company Limited pays Gateway Plaza Property Operations (Beijing) Limited the costs incurred in rendering such services, and an administrative cost equivalent to 5.0% of such costs.
4. All subsidiaries are 100% wholly-owned except for Tsubaki Tokutei Mokuteki Kaisha ("Tsubaki TMK") in which MNACT holds an effective interest of 98.47%. The remaining effective interest of 1.53% is held by MIJ. Tsubaki TMK is the beneficial owner of the Japan Properties.

Organisation Structure

THE MANAGER
Mapletree North Asia Commercial Trust Management Ltd. ("MNACTM")

Board of Directors

Mr. Paul Ma Kah Woh
Non-Executive Chairman and Director

Mr. Kevin Kwok
Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Mr. Lok Vi Ming
Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

Mr. Lawrence Wong Liang Ying
Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr. Michael Kok Pak Kuan
Independent Non-Executive Director and Member of the Audit and Risk Committee

Ms. Tan Su Shan
Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr. Hiew Yoon Khong
Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr. Chua Tiow Chye
Non-Executive Director

Ms. Cindy Chow Pei Pei
Executive Director and Chief Executive Officer

Chief Executive Officer
Ms. Cindy Chow

Joint Company Secretaries
Mr. Wan Kwong Weng
Ms. See Hui Hui

Chief Financial Officer
Mr. Ng Wah Keong

Finance
Mr. Lawrence Ng
Director

Investor Relations
Ms. Elizabeth Loo
Vice President

Portfolio and Asset Management
Ms. Ng Eharn
Vice President

Investment and Asset Management

Japan[1]

China and Hong Kong SAR
Mr. Ng Chern Shiong
General Manager

Mr. Frank Zhou
Vice President

1 The Japan Properties are managed by the local management team from MIJ. MIJ is an indirect wholly-owned subsidiary of the Sponsor.

THE PROPERTY MANAGER
Mapletree North Asia Property Management Limited ("MNAPM")

Directors

Ms. Jade Koh | Ms. Lee Shiau Fei | Mr. Tan Wee Seng | Mr. Michael Wu

HONG KONG SAR

Ms. Sandra Cheng
General Manager

Ms. Carol Chan
Head
Marketing and Promotions

Mr. Simon Lam
Head
Finance

Ms. Wendy Lee
Head
Lease Management and Tenant Relations

Mr. Eric Wong
Head
Operations

Mr. Paul Wong
Head
Ice Rink

Mr. Michael Wu
Head
Property Management and Technical Services

BEIJING

Mr. Leo Liu
Manager
Property Management and Technical Services

Ms. Sylvia Shang
Manager
Property Management

Ms. Dora Yan
Manager
Finance

SHANGHAI

Ms. Coco Lin
Senior Manager
Leasing

Ms. Sandy Chen
Manager
Finance

Mr. Alvin Zhu
Manager
Property Management

Board of Directors


Mr. Paul Ma Kah Woh


Mr. Kevin Kwok


Mr. Lok Vi Ming


Mr. Lawrence Wong Liang Ying


Mr. Michael Kok Pak Kuan


Ms. Tan Su Shan


Mr. Hiew Yoon Khong


Mr. Chua Tiow Chye


Ms. Cindy Chow Pei Pei

Mr. Paul Ma Kah Woh

Non-Executive Chairman and Director

Mr. Paul Ma Kah Woh is the Non-Executive Chairman and a Director of the Manager.

Mr. Ma is also a Non-Executive Director of the Sponsor, and a member of its Audit and Risk Committee, Executive Resource and Compensation Committee, and Investment Committee. Concurrently, Mr. Ma is a Director of StarHub Ltd. and PACC Offshore Services Holdings Ltd (both companies listed on the Main Board of the Singapore Exchange). In addition, Mr. Ma is a member of the Advisory Board of the Asian Civilisations Museum.

Mr. Ma was previously the Chairman and Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), from 2005 to July 2016, and a member of the Transaction Review Committee of the Sponsor until June 2016.

Mr. Ma is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a Member of the Institute of Singapore Chartered Accountants.

Past Directorships on Listed Entities over the Last Three Years:
Mapletree Logistics Trust Management Ltd.
(the Manager of Mapletree Logistics Trust)

Mr. Kevin Kwok

Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Mr. Kevin Kwok is an Independent Non-Executive Director of the Manager and is the Chairman of the Audit and Risk Committee.

Mr. Kwok is a Non-Executive Director and Chairman of the Audit Committee of the Singapore Exchange Ltd.

He is Chairman of the Accounting Standards Council of Singapore.

He was formerly a Senior Partner of Ernst & Young LLP where he retired after 35 years with the firm. He was the Head of the firm's Assurance Services in Singapore and ASEAN.

Mr. Kwok holds a Bachelor of Arts (Second Class Upper Honours, with Dual Honours in Economics and Accounting & Financial Management). He is qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England & Wales. He is also a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Chartered Malaysian Institute of Taxation.

Mr. Kwok is a Fellow of the Institute of Singapore Chartered Accountants and also a Fellow of the Singapore Institute of Directors.

Past Directorships on Listed Entities over the Last Three Years:
Wheelock Properties (Singapore) Ltd.

Mr. Lok Vi Ming

Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

Mr. Lok Vi Ming, Senior Counsel, is the Lead Independent Non-Executive Director of the Manager and is the Chairman of the Nominating and Remuneration Committee. He stepped down as a Member of the Audit and Risk Committee on 15 January 2019.

Mr. Lok is the founding partner of LVM Law Chambers LLC. Prior to LVM Law Chambers LLC, Mr. Lok was with Dentons Rodyk & Davidson LLP since the start of his legal career 32 years ago. He was appointed Senior Counsel in 2005.

A Fellow of the Singapore Institute of Arbitrators, Mr. Lok is an established arbitration practitioner and arbitrator. He has been appointed to the Regional Panel of Arbitrators with the Singapore International Arbitration Centre, Commercial Arbitration Board, the Asian International Arbitration Centre (Malaysia), CIETAC Beijing and Shanghai, the Shenzhen Court of International Arbitration and with numerous other Arbitration Commissions in China.

Mr. Lok is currently a Fellow of the Singapore Academy of Law and the Vice Chairman of the Singapore International Mediation Centre. He is also a Principal Mediator with the Singapore Mediation Centre. Concurrently, Mr. Lok is also a member of the Board of Trustees of the Singapore University of Social Sciences.

Mr. Lok holds a Bachelor of Law degree from the National University of Singapore.

Past Directorships on Listed Entities over the Last Three Years:
Nil

Board of Directors

Mr. Lawrence Wong Liang Ying

Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr. Lawrence Wong Liang Ying is an Independent Non-Executive Director of the Manager and is a Member of the Audit and Risk Committee.

Mr. Wong is currently a Non-Executive Independent Director, and a Member of the Audit, Nominating and Remuneration Committees of Hotel Properties Limited. Previously, Mr. Wong was with the Singapore Exchange Limited ("SGX") first as Head of Listings and then Head of China until his retirement in March 2018. In his role with SGX, Mr. Wong was also a member of various collaboration councils set up by Singapore with various provinces in China to promote economic trade and investment activities.

Prior to joining SGX in April 2006, Mr. Wong was part of the senior management team at OCBC Bank. Before OCBC Bank, Mr. Wong held several senior positions in the Schroders Group ("Schroders"), including Head of Corporate Finance for South East Asia and Head of Financial Institutions Group, Asia Pacific. His assignments also included an overseas posting to Shanghai, as General Manager of Schroders' joint venture and Head of Corporate Finance for Greater China.

Mr. Wong holds a Bachelor's degree in Business Administration from the University of Singapore.

Past Directorships on Listed Entities over the Last Three Years:
Nil

Mr. Michael Kok Pak Kuan

Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr. Michael Kok Pak Kuan is an Independent Non-Executive Director of the Manager and is a Member of the Audit and Risk Committee.

Mr. Kok is currently a Non-Executive Director of Jardine Cycle and Carriage Limited and SATS Ltd.

Prior to his retirement in May 2019, Mr. Kok was a Non-Executive Director of Dairy Farm International Holdings Limited ("Dairy Farm"), a leading pan-Asian retailer listed on the London Stock Exchange and the SGX-ST and a member of the Jardine Matheson Group. From April 2007 to December 2012, he was an Executive Director and Group Chief Executive Officer of Dairy Farm, and was responsible for over 5,400 outlets in the region, operating under various well-known brands in the area of supermarkets, hypermarkets, health and beauty stores, convenience stores and home furnishings stores. Under his watch, Dairy Farm employed over 85,000 people and annual sales grew from US$6.8 billion in 2007 up to US$10 billion in 2011.

Mr. Kok joined Dairy Farm in 1987, and has over 30 years' experience in retailing in Asia. He also resided in Hong Kong SAR from 2007 to 2012. He attended the Senior Executive Programme at London Business School and the Advanced Management Program at Harvard Business School.

Past Directorships on Listed Entities over the Last Three Years:
Dairy Farm International Holdings Limited

Ms. Tan Su Shan

Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

Ms. Tan Su Shan is an Independent Non-Executive Director of the Manager and a Member of the Nominating and Remuneration Committee.

Ms. Tan is currently the Managing Director and Group Head of Institutional Banking of DBS Bank Ltd. ("DBS"). Previously, she was the Group Head of Consumer Banking and Wealth Management of DBS.

Prior to joining DBS in June 2010, Ms. Tan was Morgan Stanley's Head of Private Wealth Management for Southeast Asia. Before re-joining Morgan Stanley in May 2008, she was a Region Head for Singapore, Malaysia and Brunei for Citi Private Bank. She was also the Singapore Investment Centre Head.

Ms. Tan was the founder and past president of the Financial Women's Association in Singapore. She sits on the investment committee of MOH Holdings Pte Ltd and was a Nominated Member of Parliament from 2012 to 2014.

Ms. Tan graduated with a Master of Arts from Oxford University in the United Kingdom, where she studied Politics, Philosophy and Economics. In May 2012, she was awarded the Distinguished Financial Industry Competent Professional ("FICP") title, which is the highest certification mark for a financial practitioner in Singapore, by the Institute of Banking and Finance.

Past Directorships on Listed Entities over the Last Three Years:
Nil

Mr. Hiew Yoon Khong

Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr. Hiew is a Non-Executive Director of the Manager and a Member of the Nominating and Remuneration Committee.

Mr. Hiew is currently the Executive Director and Group Chief Executive Officer of the Sponsor. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and Mapletree Commercial Trust Management Ltd. (the Manager of Mapletree Commercial Trust).

Mr. Hiew joined the Sponsor in 2003 as Group Chief Executive Officer. He has since led the Mapletree Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of more than S$55.7 billion.

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

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

Past Directorships on Listed Entities over the Last Three Years:
Nil

Mr. Chua Tiow Chye

Non-Executive Director

Mr. Chua Tiow Chye is a Non-Executive Director of the Manager.

Mr. Chua is the Deputy Group Chief Executive Officer of the Sponsor. He focuses on driving the Sponsor's strategic initiatives including expanding and directing the Sponsor's international real estate investments and developments. He also directly oversees the Sponsor's non-REIT business in North Asia and Australia, and the Sponsor's lodging business. Previously, Mr Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets of the Sponsor.

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

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

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

Past Directorships on Listed Entities over the Last Three Years:
Nil

Ms. Cindy Chow Pei Pei

Executive Director and Chief Executive Officer

Ms. Cindy Chow Pei Pei is both an Executive Director and the Chief Executive Officer of the Manager.

She has more than 21 years of investment experience in the region, including China, Hong Kong SAR, India, Japan, Singapore, Thailand and Vietnam. Prior to joining the Manager, Ms. Chow was Chief Executive Officer, India with the Sponsor, where she was instrumental in establishing Mapletree Group's investments in India.

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

Ms. Chow holds a Master of Science in Real Estate and a Bachelor of Science (Estate Management) (Second Upper Class Honours) from the National University of Singapore.

Past Directorships on Listed Entities over the Last Three Years:
Nil

Management Team
(Corporate)


Ms. Cindy Chow


Mr. Ng Wah Keong


Mr. Ng Chern Shiong


Mr. Lawrence Ng


Ms. Ng Eharn


Ms. Elizabeth Loo


Mr. Frank Zhou


Ms. Rosemary Kong


Mr. Miguel Su


Mr. Wan Kwong Weng


Ms. See Hui Hui

Ms. Cindy Chow
Executive Director and CEO

Ms. Chow's experience is detailed in the Board of Directors' section of this Annual Report.

Mr. Ng Wah Keong
Chief Financial Officer

Mr. Ng has more than 20 years of auditing, financial and management reporting experience.

Before joining the Manager, Mr. Ng was with Keppel Infrastructure Holdings Pte. Ltd. as Financial Controller. Prior to that, he was the Director (Finance) of the Sponsor. Mr. Ng started as an Audit Manager with Deloitte KassimChan Malaysia, before relocating to Singapore to join KPMG LLP.

Mr. Ng holds a Master of Business Administration (Finance) from University of Lincoln (UK). He is also a member of the Association of Chartered Certified Accountants.

Mr. Ng Chern Shiong
General Manager,
Investment and Asset Management

Based in Shanghai, Mr. Ng has 17 years of experience in the real estate business focusing on investment and asset management work.

Prior to joining the Manager, he held various positions including Director of Business Development at Keppel Land China Limited, and Senior Investment Manager and Associate Director of Asset Management at Mapletree Industrial Fund.

Mr. Ng holds a Bachelor of Science (Real Estate) (Second Upper Class Honours) from the National University of Singapore and a Graduate Diploma in Financial Management from the Association of Chartered Certified Accountants.

Mr. Lawrence Ng
Director,
Finance

Mr. Ng has 20 years of experience in financial and management reporting, auditing and finance related work. His previous employment was with the Sponsor, Pan-United Corporation Ltd and Ernst & Young LLP.

Mr. Ng holds an Association of Chartered Certified Accountants professional qualification and is also a non-practising member of the Institute of Singapore Chartered Accountants.

Ms. Ng Eharn
Vice President,
Portfolio and Asset Management

Ms. Ng has over 13 years of experience in consulting, investment, treasury and risk management.

Prior to joining the Manager, Ms. Ng had worked in Singapore Power and Dragonfly Consultancy.

Ms. Ng holds a Master of Business Administration from the Columbia Business School, the London Business School and the University of Hong Kong ("EMBA Global Asia") and a Bachelor of Accountancy with an additional major in Finance, with Magna Cum Laude, from the Singapore Management University.

Ms. Elizabeth Loo
Vice President,
Investor Relations

With more than 19 years of experience in communications & investor relations, Ms. Loo has held various senior positions at Sembcorp Marine Ltd, SMRT Corporation Ltd and Creative Technology Ltd.

Ms. Loo obtained a Master of Science in Industrial Administration from Carnegie Mellon University and a Bachelor of Science (Computer Science & Information Systems) (Second Upper Class Honours) from the National University of Singapore. She is also a Chartered Financial Analyst.

Management Team

(Corporate)

Mr. Frank Zhou

Vice President,
Investment

Based in Shanghai, Mr. Zhou has more than 16 years of experience in real estate investment with developers, foreign real estate funds and asset management companies. Prior to joining the Manager, Mr. Zhou held positions at Taiping Asset Management and Forte Land Co., Ltd.

Mr. Zhou holds a Master of Business Administration from the University of Hong Kong and a Bachelor in Economics from Fudan University.

Ms. Rosemary Kong

Senior Manager,
Asset Management

Based in Beijing, Ms. Kong has over 15 years of experience in real estate business, focusing on asset management, consulting, business development and research.

Prior to joining the Manager, Ms. Kong was Senior Associate Director, Asset Management, responsible for one of the Sponsor's projects in China. Ms. Kong also held various positions in CBRE, COFCO Property Group and DTZ.

Ms. Kong holds a Master of Management from Renmin University and Bachelor of Chinese Literature from Shenzhen University.

Mr. Miguel Su

Senior Manager,
Investment and Asset Management

Based in Shanghai, Mr. Su has over 11 years of experience in investment, asset management, consulting, business development, and research.

Prior to joining the Manager, Mr. Su held positions in Ascendas and CBRE. Mr. Su started his career as a consultant at KPMG LLP in Los Angeles.

Mr. Su holds a Bachelor of Science in Industrial Engineering from Purdue University.

Mr. Wan Kwong Weng

Joint Company Secretary

Mr. Wan is the Joint Company Secretary of the Manager as well as the other three Mapletree REIT managers, and concurrently Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, as well as corporate communications, human resource and administration across all business units and countries.

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

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

Ms. See Hui Hui

Joint Company Secretary

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

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

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

Property Management Team
(Overseas)

Festival Walk
Hong Kong SAR

1 **Ms. Sandra Cheng**
General Manager

2 **Mr. Michael Wu**
Head, Property Management and Technical Services

3 **Mr. Eric Wong**
Head, Operations

4 **Ms. Carol Chan**
Head, Marketing and Promotions

5 **Mr. Paul Wong**
Head, Ice Rink

6 **Mr. Simon Lam**
Head, Finance

7 **Ms. Wendy Lee**
Head, Lease Management and Tenant Relations

Gateway Plaza
Beijing, China

1 **Ms. Dora Yan**
Manager, Finance

2 **Ms. Sylvia Shang**
Manager, Property Management

3 **Mr. Leo Liu**
Manager, Property Management and Technical Services

Sandhill Plaza
Shanghai, China

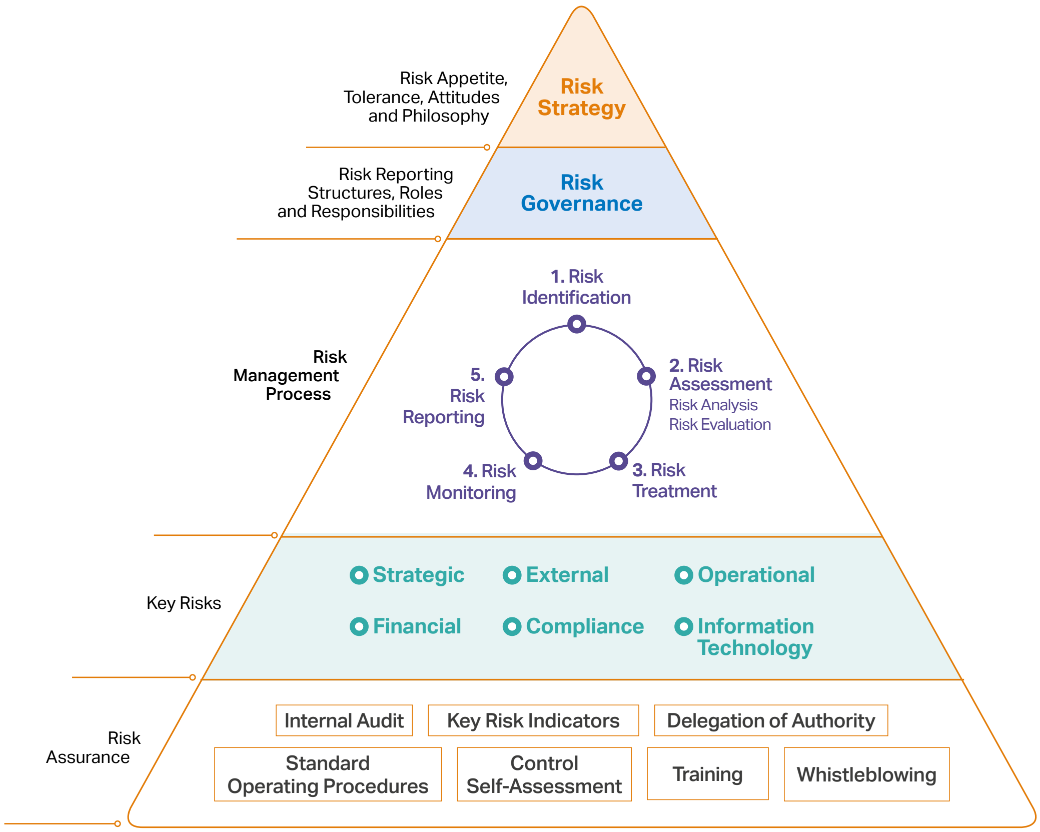
1 **Ms. Sandy Chen**
Manager, Finance

2 **Ms. Coco Lin**
Senior Manager, Leasing

3 **Mr. Alvin Zhu**
Manager, Property Management

Risk Management

Risk Management continues to be an integral part of the Manager's business strategy in order to deliver regular and stable returns. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds risk management into the planning and decision-making process.



Strong Oversight and Governance

The Board of Directors ("Board") is responsible for determining overall risk strategy and risk governance, and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks that can be taken to achieve the Manager's business objectives. The Board which is supported by the Audit and Risk Committee ("AC"), comprises directors whose collective diverse experience and knowledge serve to give guidance and provide strategic insights to the Manager. The AC has direct access to the risk management function that is outsourced to the Sponsor's Risk Management ("RM") department, and engages with the RM department on a quarterly basis as part of its review of MNACT's portfolio risks.

At the Manager, the risk management culture involves both top-down oversight and bottom-up engagement of all employees. This ensures a risk approach that is aligned with the business objectives and strategies for MNACT, and which is integrated with operational processes for effectiveness and accountability.

The Manager's Enterprise Risk Management ("ERM") framework is adapted from the International Organisation for Standardisation (ISO) 31000 International Risk Management Standards. It is dynamic and evolves with the business and provides the Manager with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The RM department works closely with the Manager to continually review and enhance the risk management system, under the guidance and direction of the AC and the Board. A control self-assessment ("CSA") framework further reinforces risk awareness by fostering accountability, control and risk ownership, and provides additional assurance to the Manager and the Board that operational risks are being effectively and adequately managed and controlled.

Robust Measurement

The Manager's risk measurement framework is based on Value-at-Risk ("VaR"), a methodology which measures the volatilities of market and property risk drivers such as rental rates, occupancy rates, capital values, interest rates and foreign exchange rates. It takes into consideration changes in market environment and asset cash flows. To complement the VaR methodology, other risks such as refinancing and tenant-related risks are also assessed, monitored and measured as part of the framework where appropriate.

With the VaR methodology, risks are measured consistently across the portfolio, enabling the Manager to quantify the benefits that arise from diversification across the portfolio and to assess risk by asset, risk type and country. The Manager recognises the limitations of any statistically-based system that relies on historical data. Therefore, MNACT's portfolio is subject to stress testing and scenario analyses to ensure that the business remains resilient in the event of unexpected market shocks.

Risk Identification and Assessment

The Manager identifies key risks, assesses their likelihood and impact on the business, and establishes corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

Strategic Risks

Market Risk

MNACT's portfolio is subject to real estate market risks such as rental rate and occupancy volatilities and country specific factors including competition, supply, demand and local regulations. Such risks are quantified, aggregated and monitored for existing assets and prospective acquisitions. Significant risk profile changes or emerging trends are reported for assessment and/or action.

Investment Risk

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the area of asset evaluation and pricing. All acquisitions are aligned with MNACT's investment strategy to enhance returns to Unitholders and improve future income and capital growth. Sensitivity analysis is performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant acquisitions, independent risk assessments are conducted by the RM department and included in the investment proposals submitted to the Board for approval. The investment proposals are subject to rigorous scrutiny by the Board.

Upon receiving approval from the Board, the investment proposals are then submitted to the Trustee, who is the final approving authority for all investment decisions.

The Trustee also monitors the compliance of the Manager's executed investment transactions with the Listing Manual of the Singapore Exchange Securities Trading Limited, Monetary Authority of Singapore's ("MAS") Property Funds Appendix and the provisions in the Trust Deed.

External Risks

Economic and Political Risks

To manage risks such as economic uncertainties or political turbulence in countries where it operates, the Manager conducts rigorous country and real estate market research and monitors the economic, geopolitical and political developments closely.

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable the Manager to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Manager regularly reviews its Standard Operating Procedures ("SOPs") and benchmarks them against industry practices where appropriate. Compliance with SOPs is assessed under the CSA framework and reinforced through training of employees and regular reviews by the internal audit function which is outsourced to the Sponsor's Internal Audit department.

Human Resource Risk

Loss of key management personnel and identified talents can cause disruptions to the Manager's business operations and hinder the achievement of its business objectives. The Manager has put in place succession planning, talent management, competitive compensation and benefits plans to reward and retain performing personnel.

Property Damage & Business Disruption Risks

In the event of unforeseen catastrophic events, the Manager has a Business Continuity Plan ("BCP") and crisis communication plan that should enable it to resume operations with minimal disruption and loss. MNACT's properties are insured in accordance with industry norms in their respective jurisdictions.

Risk Management

Credit Risk
Credit risks are mitigated from the outset by conducting tenant credit assessment as part of the investment due diligence process prior to an acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken prior to signing of lease agreements. On an ongoing basis, tenants' credit worthiness is closely monitored by the Manager's asset management team and arrears are managed by the Manager's Credit Control Committee which meets regularly to review debtor balances. To further mitigate credit risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases, where applicable.

Financial Risks

Financial market risks and capital adequacy are closely monitored and actively managed by the Manager, and reported to the Board on a quarterly basis.

At the portfolio level, the risk impact of currency and interest rate volatilities is quantified, monitored and reported quarterly using the VaR methodology. Refinancing risk is also quantified, taking into account the concentration of loan maturity profile and credit spread volatility.

Interest Rate Risk
MNACT hedges its portfolio exposure to interest rate volatility arising from borrowings through interest rate derivatives and fixed-rate debts.

Foreign Currency Risk
Where feasible, after taking into account cost, tax and other relevant considerations, the Manager will borrow in the same currency as the underlying assets to provide some natural hedge. To mitigate foreign exchange risks and to provide investors with a degree of income stability, a large proportion of rental income receivable from overseas assets is hedged using forward contracts and secured in Singapore Dollar terms.

Liquidity Risk
The Manager actively monitors MNACT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations and meet short-term obligations.

The Manager also maintains sufficient financial flexibility and adequate debt headroom for MNACT to fund future acquisitions. In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base.

The limit on aggregate leverage ratio is observed and monitored to ensure compliance with MAS's Property Funds Appendix.

Compliance Risks

Regulatory Risk
The Manager is committed to complying with the applicable laws and regulations of various jurisdictions in which MNACT operates. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and embeds compliance with these laws and regulations in day-to-day business processes.

Fraud Risk
A comprehensive corporate governance framework has been established to maintain responsible and transparent business practices. The framework contains specific guidelines on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of gifts and entertainment.

The Manager has also put in place a whistleblowing policy to allow employees and stakeholders to raise any serious concerns about any danger, risk, malpractice or wrongdoing in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times, which include policies on ethics and code of conduct, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Manager reserves the rights to take appropriate disciplinary action, including termination of employment.

Information Technology ("IT") Risk

Concerns over the threat of cybersecurity attacks has risen as such attacks become increasingly more prevalent and sophisticated. The Manager has in place comprehensive policies and procedures governing information availability, control and governance, and data security. An IT disaster recovery plan is in place and tested annually to ensure business recovery objectives are met. All employees are required to do a mandatory online training on IT security awareness to ensure that they are aware of potential cybersecurity threats. There is also constant monitoring of Internet gateways to detect potential security event. In addition, network vulnerability assessment and penetration testing are conducted regularly to check for potential security gaps.

Risk Monitoring and Control

The Manager has developed internal key risk indicators that serve as an early-warning system to highlight risks that have escalated beyond agreed tolerance levels. The Manager has also established required actions to be taken when risk thresholds are breached.

Every quarter, the RM department presents a comprehensive report to the Board and the AC, highlighting key risk exposures, portfolio risk profile, results of stress testing scenarios and status of key risk indicators. The Board and the AC are also kept abreast of any material changes to MNACT's risk profile and activities.

Investor Relations

The Manager's investor relations policy places priority on providing clear, timely and transparent disclosure of material information about MNACT's business and performance to stakeholders, including unitholders, institutional investors, analysts and the media. To this end, the Manager has a dedicated investor relations team who works closely with senior management to keep stakeholders informed on MNACT's strategies, business developments and market environment across multiple communication platforms.

Timely and Transparent Communication

All announcements on MNACT's latest corporate developments are promptly released through Singapore Exchange Securities Trading Limited ("SGX-ST") and disseminated thereafter via email to the media and the investment community. MNACT's quarterly results are released on SGX-ST within one month after the end of each quarter.

Post-results briefings or conference calls are held every quarter following the release of results. At these briefings or calls, the Manager's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") share updates on MNACT's financial performance, business operations and outlook. The investment community can participate and raise queries via the audio "live" webcast available during the half-year and full-year result briefings. Recordings of these webcasts are available for download via the website.

Stakeholders have access to a repository of information available on MNACT's corporate website including annual reports, distribution history, investor presentations, property portfolio details and SGX-ST announcements. They can also subscribe to MNACT's corporate website email alerts to receive prompt updates. Should they have questions, they can email or contact the investor relations team.

Proactive Outreach

The Manager continues to proactively engage analysts, unitholders and institutional investors locally and globally. During FY18/19, we reached out to 216 investors (FY17/18: 162) through conference calls, one-on-one meetings, non-deal roadshows and investor conferences. In addition to meetings held in Singapore, Bangkok, Hong Kong SAR and Tokyo, we expanded outreach efforts to investors in London and Amsterdam during the year. Property tours and site visits were also arranged upon request by investors for first-hand experience of the operations at MNACT's properties.

We aim to engage with more retail investors through participation in seminars and large-scale events. For the fourth consecutive year, the Manager participated in the REITs Symposium 2018, which attracted close to 1,200 attendees. The CEO presentation at the DBS-REITAS Private Banking Event held in May 2018 was another platform to share insights on MNACT's business performance.

Mr. Paul Ma (first from left), Chairman of the Manager, and Mr. Hiew Yoon Khong (second from left), Non-Executive Director of the Manager, in close engagement with unitholders at MNACT's fifth Annual General Meeting.

The Manager also actively engaged the investment community on the acquisition of the Japan Properties through an analyst briefing and investor meetings held in Singapore, Hong Kong SAR and Bangkok in April 2018. At the Extraordinary General Meeting ("EGM") held on 24 April 2018, the board of directors and senior management took the opportunity to address questions by unitholders on the acquisition.

During MNACT's fifth Annual General Meeting ("AGM") held on 18 July 2018, senior management presented MNACT's operating and financial performance and outlook. The question and answer session served as a good opportunity for the 358 unitholders and proxy holders to raise concerns and engage directly with the board of directors and senior management on matters affecting MNACT. Minutes of the fifth AGM, which recorded details of unitholders' questions and answers, was also made available on the website.

At both the AGM and EGM, unitholders voted on each of the resolutions by electronic polling. The number of votes cast for and against, and the respective percentages on each resolution were tallied and displayed 'live' on screen to unitholders immediately at the general meetings. These results were also published on SGX-ST. An independent scrutineer was also appointed to validate the vote tabulation procedures. All resolutions tabled at both meetings were approved.

DID YOU KNOW?
MNACT's distribution is now on a **quarterly** basis instead of semi-annually.

Investor Relations

Key Communication Principles for Investor Relations Team

- Endeavour to provide accurate, balanced and timely communication
- Proactively engage the investment community
- Communicate through designated spokespersons

Corporate presentation on MNACT by Ms. Cindy Chow, CEO of the Manager, during the AGM.

Improving Disclosures

The Manager closely monitors investors' perceptions and conveys regularly to the board of directors on issues raised by investors, analysts' views and consensus estimates as well as movements in institutional investors' ownership in MNACT. With increasing focus on sustainability by investors, we continued to provide more disclosures on our sustainability initiatives in this Annual Report.

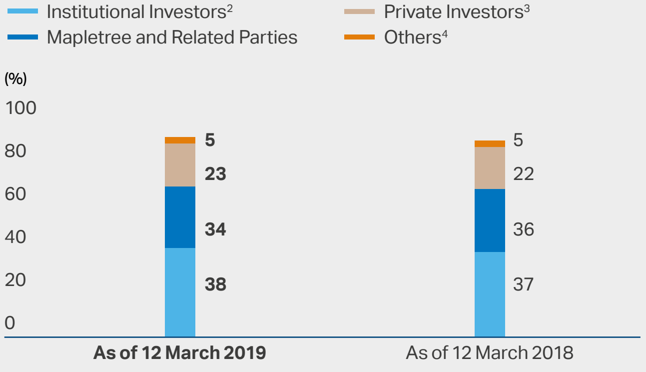
In recognition of the Manager's good standard of disclosure and corporate reporting, MNACT was accorded Bronze for Best Annual Report under the REITs and Business Trusts category at the Singapore Corporate Awards 2018.

DID YOU KNOW?
MNACT's AGM minutes are now available on our website.

Unitholding Ownership

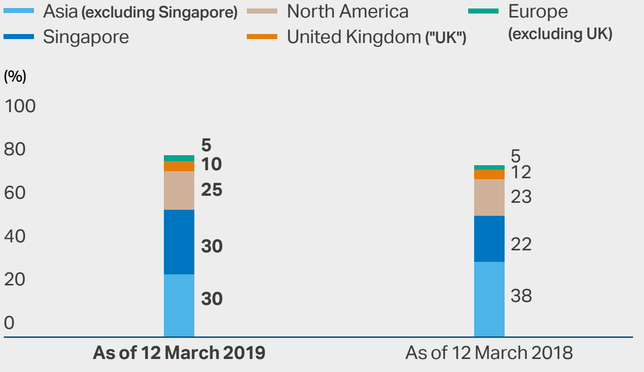
Other than our Sponsor, which held 33% (excluding the share of related parties) of MNACT's units as of 12 March 2019, institutional investors and retail unitholders accounted for 38% and 23% of MNACT's total issued units respectively. In terms of geographical spread of institutional holdings, Singapore and Asia are MNACT's two largest investor base at 30% each, followed by North America and United Kingdom at 25% and 10% respectively.

Unitholding Ownership by Investor Category[1]



Institutional Investors Unitholding Ownership by Geographical Distribution[1]

(Excluding Mapletree and Related Parties, Private Investors and Others)



1 The share register analysis is carried out by a third-party vendor based on MNACT's unitholding data obtained from The Central Depository (Pte) Limited as of 12 March 2019 and as of 12 March 2018.
2 Institutional investors include private banks.
3 Private investors include investors whose unitholding are less than the threshold of 200,000 units, based on MNACT's unitholding data obtained from The Central Depository (Pte) Limited as of 12 March 2019 and 12 March 2018.
4 Others include corporates, non-profit organisations, custodians and nominees.

Investor Relations Calendar for FY18/19

2018

April – June
- Non-deal roadshows in Singapore, Hong Kong SAR and Bangkok for the acquisition of Japan Properties hosted by DBS, HSBC and Citi
- EGM, Singapore
- 4Q FY17/18 analysts' briefing and audio webcast
- Post-results luncheon in Singapore hosted by DBS
- DBS-REITAS Private Banking Event in Singapore
- REITs Symposium 2018, Singapore

July – September
- 5th AGM, Singapore
- 1Q FY18/19 analysts' conference call
- Post-results luncheon in Singapore hosted by Macquarie
- Citi-REITAS-SGX C-Suite Singapore REITs & Sponsors Forum
- Mapletree Bangkok Day hosted by DBS

October – December
- SGX-UBS Corporate Day in London
- SGX-ING REIT Day in Amsterdam
- 2Q FY18/19 analysts' briefing and audio webcast
- Post-results luncheon in Singapore hosted by DBS
- Post-results non-deal roadshow in Hong Kong SAR hosted by HSBC

2019

January – March
- 3Q FY18/19 analysts' conference call
- Post-results luncheon in Singapore hosted by Citi
- Post-results non-deal roadshow in Tokyo hosted by Mizuho

Research Coverage

As of 31 March 2019, MNACT was covered by nine local and foreign research houses.
- CGS-CIMB Research
- Citi Research
- CLSA Singapore
- DBS Group Research
- Goldman Sachs
- Macquarie Securities
- Mizuho Securities Asia Limited
- OCBC Investment Research
- The Hong Kong and Shanghai Banking Corporation

Investor Relations Contact

Ms. Elizabeth Loo
Vice President, Investor Relations
T: (65) 6377 6705 (direct) / 6377 6111 (general)
F: (65) 6352 6382
E: enquiries_mnact@mapletree.com.sg

Unitholder Depository

For depository-related matters such as change of personal details and unitholders' investment records, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138589
T: (65) 6535 7511
E: asksgx@sgx.com
W: www.sgx.com/cdp

For Substantial Unitholders:

For changes in percentage unitholding level,
E: _MNACT_Disclosure@mapletree.com.sg

Financial Calendar

	FY18/19
1Q Results Announcement	30 July 2018
Payment of 1Q Distribution to Unitholders	29 August 2018[1]
2Q and Half-year Results Announcement	26 October 2018
Payment of 2Q Distribution to Unitholders	26 November 2018
3Q Results Announcement	25 January 2019
Payment of 3Q Distribution to Unitholders	22 February 2019
4Q and Full-year Results Announcement	29 April 2019
Payment of 4Q Distribution to Unitholders	27 May 2019

1 An advanced distribution of 0.764 Singapore cents per unit for the period of 1 April 2018 to 7 May 2018 was paid on 25 May 2018.

Corporate Governance Report

The Manager of Mapletree North Asia Commercial Trust ("MNACT") is responsible for the strategic direction and management of the assets and liabilities of MNACT as well as its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the Monetary Authority of Singapore ("MAS") and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MNACT and its unitholders ("Unitholders"), in accordance with the applicable laws and regulations as well as the trust deed (as amended) constituting MNACT (the "Trust Deed"). To this end, the Manager sets the strategic direction of the Group and gives recommendations to DBS Trustee Limited, in its capacity as trustee of MNACT (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying out the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposal with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purposes of such proposals and analyses are to chart the Group's business for the year ahead and to explain the performance of MNACT's properties compared to the prior year; and
- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act (Chapter 289 of Singapore), the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS may issue from time to time and any tax rulings.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2012 (the "Code"). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are deviations from the principles and guidelines of the Code, explanations for such deviations.

(A) BOARD MATTERS

The Board's Conduct of Affairs
Principle 1: Effective Board

Our Policy and Practices

The Manager adopts the principle that an effective Board of Directors (the "Board") for the Manager is one which is constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the management team of the Manager ("Management").

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that the senior management of the Manager discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Manager and ensure there is adherence to the corporate governance policies and practices set out in this report.

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of MNACT.

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons in order to maintain effective oversight. The Board has also established the Audit and Risk Committee (the "AC") and the Nominating and Remuneration Committee (the "NRC"), each of which operates under delegated authority from the Board, to assist the Board in discharging its oversight function.

The Board comprises nine directors (the "Directors"), of whom eight are Non-Executive Directors and five are Independent Directors.

The following sets out the composition of the Board:

- Mr. Paul Ma Kah Woh, Non-Executive Chairman and Director
- Mr. Kevin Kwok, Independent Non-Executive Director and Chairman of the AC
- Mr. Lok Vi Ming, Lead Independent Non-Executive Director and Chairman of the NRC
- Mr. Lawrence Wong Liang Ying, Independent Non-Executive Director and Member of the AC
- Mr. Michael Kok Pak Kuan, Independent Non-Executive Director and Member of the AC
- Ms. Tan Su Shan, Independent Non-Executive Director and Member of the NRC
- Mr. Hiew Yoon Khong, Non-Executive Director and Member of the NRC
- Mr. Chua Tiow Chye, Non-Executive Director
- Ms. Cindy Chow Pei Pei, Executive Director and CEO

The Board comprises business leaders and distinguished professionals with banking, legal, retail, real estate, strategic planning, management and accounting experience.

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her calibre, experience, stature, and potential to give proper guidance to Management on the business of the Group. In addition, the Board considers additional factors such as the age, gender and educational background of its members. The profiles of the Directors are set out in pages 64 to 67 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group. When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

The Directors' attendance of the Board, the AC, the NRC and the General Meetings for FY18/19 is as follows:

		Board	AC	NRC	AGM[1]	EGM[2]
Number of meetings held in FY18/19		5	5	1	1	1
Board Members	**Membership**					
Mr. Paul Ma Kah Woh (Appointed on 1 July 2016) (Last reappointment on 28 September 2018)	Non-Executive Chairman and Director	5	N.A.[3]	N.A.[3]	1	1
Mr. Kevin Kwok (Appointed on 7 February 2013) (Last reappointment on 29 September 2017)	Independent Non-Executive Director and Chairman of the AC	5	5	N.A.[3]	1	1
Mr. Lok Vi Ming[4] (Appointed on 7 February 2013) (Last reappointment on 28 September 2018)	Lead Independent Non-Executive Director and Chairman of the NRC	4	2	1	1	1
Mr. Lawrence Wong Liang Ying[5] (Appointed on 1 October 2018)	Independent Non-Executive Director and Member of the AC	3	2	N.A.[3]	N.A.[3]	N.A.[3]
Mr. Michael Kok Pak Kuan (Appointed on 7 February 2013) (Last reappointment on 30 September 2016)	Independent Non-Executive Director and Member of the AC	5	5	N.A.[3]	1	1
Ms. Tan Su Shan (Appointed on 1 November 2016) (Last reappointment on 29 September 2017)	Independent Non-Executive Director and Member of the NRC	5	N.A.[3]	1	1	0
Mr. Hiew Yoon Khong (Appointed on 30 November 2012) (Last reappointment on 29 September 2017)	Non-Executive Director and Member of the NRC	4	N.A.[3]	1	1	1
Mr. Chua Tiow Chye (Appointed on 30 November 2012) (Last reappointment on 29 September 2017)	Non-Executive Director	5	5[6]	N.A.[3]	1	1
Ms. Cindy Chow Pei Pei (Appointed on 30 November 2012) (Last reappointment on 28 September 2018)	Executive Director and CEO	5	5[6]	1[6]	1	1

Notes:
1 Held on 18 July 2018.
2 Held on 24 April 2018.
3 N.A. means not applicable.
4 Mr. Lok Vi Ming stepped down as a member of the AC with effect from 15 January 2019.
5 Mr. Lawrence Wong Liang Ying was appointed as a member of the AC with effect from 16 January 2019.
6 Attendance was by invitation.

Corporate Governance Report

The Board has also approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities to be undertaken by the Group. Approval sub-limits are also provided at various management levels to facilitate operational efficiency as well as provide a system of checks and balances.

The Board's approval is required for material transactions to be undertaken by the Group, including the following:
- equity fund-raising;
- acquisition, development and disposal of properties above Board-prescribed limits;
- overall project budget variance and *ad hoc* development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

Each Director is given a formal letter of appointment setting out his or her duties and obligations under the relevant laws and regulations governing the Manager and the Group. The Manager also has in place an orientation programme to brief new Directors on the Group's business, strategic directions, risk management policies, the regulatory environment in which the Group operates and the governance practices of the Group and the Manager, including in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board is updated on any material change to relevant laws, regulations and accounting standards by way of briefings by professionals or by updates issued by Management.

Board Composition and Guidance

Principle 2: Strong and Independent Element on the Board

Our Policy and Practices

The Board reviews from time to time the size and composition of the Board to ensure that the size of the Board is appropriate in facilitating effective decision making.

The Manager adopts the principle that a board composition with a strong and independent element will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. In particular, the non-executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MNACT with Management. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

The Board assesses the independence of each Director in accordance with the requirements of the Code and Regulations 13D to 13H[1] of the Securities and Futures (Licensing and Conduct of Business) Regulations ("**SFLCB Regulations**"). A Director is considered to be independent if he or she has no relationship with the Manager, its related corporations and its shareholders who hold 10% or more of the voting shares of the Manager, or Unitholders who hold 10% or more of the Units in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement; and is independent from the management and every business relationship with the Manager and MNACT, every substantial shareholder of the Manager and every substantial unitholder of MNACT and has not served on the Board for a continuous period of nine years or longer.

For FY18/19, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Director had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the Enhanced Independence Requirements, the Board considers the following Directors to be independent:

- Mr. Kevin Kwok;
- Mr. Lok Vi Ming;
- Mr. Lawrence Wong Liang Ying;
- Mr. Michael Kok Pak Kuan; and
- Ms. Tan Su Shan.

In view of the above, at least half of the Board comprises Independent Directors.

The Board, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations, and the Code, wishes to set out its views in respect of each of the Directors as follows:

1 The SFLCB Regulations were amended by the Securities and Futures (Licensing and Conduct of Business)(Amendment No.2) Regulations 2018 which came into operation on 8 October 2018. One of the amendments to the SFLCB Regulations was the insertion of Regulations 13D to 13H which relate to board composition and director's independence.

Name of Director	(i) had been independent from the management of the Manager and MNACT during FY18/19	(ii) had been independent from any business relationship with the Manager and MNACT during FY18/19	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MNACT during FY18/19	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MNACT during FY18/19	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY18/19
Mr. Paul Ma Kah Woh[1,7]	√			√	√
Mr. Kevin Kwok	√	√	√	√	√
Mr. Lok Vi Ming	√	√	√	√	√
Mr. Lawrence Wong Liang Ying	√	√	√	√	√
Mr. Michael Kok Pak Kuan[2,7]	√			√	√
Ms. Tan Su Shan[3,7]	√			√	√
Mr. Hiew Yoon Khong[4,7]		√		√	√
Mr. Chua Tiow Chye[5,7]		√		√	√
Ms. Cindy Chow Pei Pei[6,7]		√		√	√

Notes:

1 Mr. Paul Ma Kah Woh is currently a Non-Executive Director of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. Mr. Ma is also a Non-Executive Director of Starhub Ltd., a related corporation of Temasek Holdings (Private) Limited ("Temasek") which is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MNACT. Pursuant to the SFLCB Regulations, during FY18/19, Mr. Ma is deemed not to be (a) independent from a business relationship with the Manager and MNACT; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his directorships in the Sponsor and Starhub Ltd. The Board is satisfied that, as at 31 March 2019, Mr. Ma was able to act in the best interests of all Unitholders of MNACT as a whole.

2 Mr. Michael Kok Pak Kuan is currently a Non-Executive Director of SATS Ltd., which is a related corporation of Temasek. Mr. Kok was also previously a Non-Executive Director of Dairy Farm International Holdings Limited ("Dairy Farm") and stepped down from this position on 8 May 2019.

MNACT received rental in excess of S$200,000 in FY18/19 for leases of MNACT's premises to Mannings, which is part of the Dairy Farm Group. Under Guideline 2.3(d) of the Code, a director may be considered as not independent if he is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY18/19, Mr. Kok is deemed not to be (a) independent from a business relationship with the Manager and MNACT, by virtue of the payments made to MNACT by Mannings (which is part of the Dairy Farm Group) in the immediately preceding financial year, where Mr. Kok sat on the board as a Non-Executive Director; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his directorship in SATS Ltd.

Notwithstanding that MNACT receives payment in excess of S$200,000 from Mannings in FY18/19, the Board takes the view that Mr. Kok's Independent Director status is not affected as these rentals and charges were agreed on an arm's length and commercial basis and did not represent a significant portion of MNACT's revenue. Also, he serves on the Manager's Board in his personal capacity and not as a representative or nominee of Temasek and neither is he under any employment relationship with Temasek. He is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is also of the opinion that, as at 31 March 2019, Mr. Kok was able to act in the best interests of all Unitholders of MNACT as a whole.

3 Ms. Tan Su Shan is currently the Managing Director and Group Head of Institutional Banking of DBS Bank Ltd., a related corporation of Temasek. MNACT paid fees in excess of S$200,000 in FY18/19 to the Trustee and DBS Bank Ltd. as joint global co-ordinator and bookrunner for the equity fund raising exercise for the acquisition of the Japan Properties and the amounts received as rental by MNACT from DBS Group in FY18/19 for leases of MNACT's premises exceeded S$200,000. Under Guideline 2.3(d) of the Code, a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY18/19, Ms. Tan is deemed not to be (a) independent from a business relationship with the Manager and MNACT, by virtue of the payments made to the Trustee and DBS Bank Ltd. by MNACT and the payments received by MNACT from DBS Group; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of her employment with DBS Bank Ltd.

Notwithstanding the foregoing, the Board takes the view that Ms. Tan's Independent Director status is not affected as (a) the Trustee arrangement was entered into before Ms. Tan was appointed as a Director of the Manager; (b) the fees, rental and other charges were agreed on an arm's length basis and on normal commercial terms and (c) she serves on the Manager's Board in her personal capacity and not as a representative or nominee of Temasek and neither is she under any employment relationship with Temasek. She is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is also of the opinion that, as at 31 March 2019, Ms. Tan was able to act in the best interests of all Unitholders of MNACT as a whole.

4 Mr. Hiew Yoon Khong is currently the Executive Director and Group Chief Executive Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and Mapletree Commercial Trust Management Ltd. (the Manager of Mapletree Commercial Trust), all of which are related corporations of the Sponsor. Pursuant to the SFLCB

Corporate Governance Report

Regulations, during FY18/19, Mr Hiew is deemed not to be (a) independent from a management relationship with the Manager and MNACT; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his employment with the Sponsor and directorships in the abovementioned related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2019, Mr. Hiew was able to act in the best interests of all Unitholders of MNACT as a whole.

5 Mr. Chua Tiow Chye is currently the Deputy Group Chief Executive Officer of the Sponsor which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. Mr. Chua is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), a related corporation of the Manager.Pursuant to the SFLCB Regulations, during FY18/19, Mr. Chua is deemed not to be (a) independent from a management relationship with the Manager and MNACT; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his employment with the Sponsor and his directorships in the abovementioned related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2019, Mr. Chua was able to act in the best interests of all Unitholders of MNACT as a whole.

6 Ms. Cindy Chow Pei Pei is currently the Executive Director and Chief Executive Officer of the Manager, which is a related corporation of the Sponsor. Pursuant to the SFLCB Regulations, during FY18/19, Ms. Cindy Chow is deemed not to be (a) independent from a management relationship with the Manager and MNACT by virtue of her employment with the Manager; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virture of her directorship in the Manager which is a related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2019, Ms. Cindy Chow was able to act in the best interests of all Unitholders of MNACT as a whole.

7 For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2019, each of the abovementioned Directors were able to act in the best interests of all the Unitholders as a whole.

The Manager has a policy that its Directors should recuse themselves from discussions and abstain from voting on resolutions regarding a transaction or proposed transaction in which the Director has an interest or is conflicted. The Directors have complied with this policy and recused himself or herself from discussions and abstained from voting on resolutions regarding any proposed transaction which might potentially give rise to a conflict of interest.

Chairman and CEO

Principle 3: Clear Division of Responsibilities

Our Policy and Practices

The Manager adopts the principle of clear separation of the roles and responsibilities between the Chairman of the Board and the CEO of the Manager. The Chairman guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters. The Chairman is a non-executive Director.

The Chairman and the CEO are not related to each other. The CEO is responsible for the running of the Manager's business operations. She has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

As the Chairman is not an independent director, in accordance with Guideline 3.3 of the Code, Mr. Lok Vi Ming had been appointed as Lead Independent Non-Executive Director of the Manager with effect from 1 August 2016. The principal responsibilities of the Lead Independent Director are to act as chairman of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concern when other channels of communication through the Chairman or CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions.

Board Membership

Principle 4: Formal and Transparent Process for Appointments

Our Policy and Practices

The Manager adopts the principle that Board renewal is an ongoing process to ensure good governance and to remain relevant to the changing needs of the Manager and the Group's business.

The Board established the NRC in January 2016 and it comprises three Directors, being Mr. Lok Vi Ming, Ms. Tan Su Shan and Mr. Hiew Yoon Khong, all of whom are non-executive and the majority of whom (including the Chairman) are independent. Mr. Lok Vi Ming is the Chairman of the NRC and also the Lead Independent Non-Executive Director of the Manager.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include assisting the Board in matters relating to:

- the appointment and re-appointment of Board and committee members;
- the appointment and succession plan for the Executive Director and CEO and the framework for the appointment and succession plan for the senior management executives of the Manager;
- training and professional development programmes for the Board;
- the process for evaluating Board performance; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant guidelines of the Code and the SFLCB Regulations, as well as any other applicable regulations and guidelines and salient factors.

The composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in funds management, law, finance, audit, accounting and real estate; and
- at least one-third of the Board should comprise independent directors if the Chairman is an independent director and at least half of the Board should comprise independent directors if the Chairman is not an independent director.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders. The Board intends to continue to keep to the principle that at least half of the Board shall comprise independent directors.

The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY18/19, as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY18/19.

The NRC reviews and makes recommendations of nominations and/or re-nominations of directors on the Board and Board committees to the Board for approvals. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals during the annual general meeting of the Manager.

Board Performance

Principle 5: Formal Assessment of the Effectiveness of the Board

Our Policy and Practices

The Manager adopts the principle that the Board's performance is ultimately reflected in the performance of the Manager and the Group.

To assess the performance of the Board and the Board committees, the Manager conducts confidential board effectiveness surveys once every two to three years. Such surveys are carried out once every two to three years so as to provide more time for Directors to observe, review and assess the effectiveness and performance of the Board and the Board committees. The last survey of the Board, AC and NRC was undertaken in May 2019, with the findings to be evaluated by the Board in July 2019. To this end, the NRC will assist the Board in (amongst other things) the assessment of the effectiveness of the Board, by reviewing the performance evaluation process and making recommendations to the Board.

Access to Information

Principle 6: Complete, Adequate and Timely Access to Information

Our Policy and Practices

The Manager adopts the principle that the Board shall be provided with timely and complete information prior to Board meetings, as well as when the need arises.

Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision, as well as ongoing reports relating to the operational and financial performance of the Group. Management is also required to furnish any additional information requested by the Board in a timely manner in order for the Board to make informed decisions.

The Directors have separate and independent access to Management and the Company Secretary.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Company Secretary attends to the administration of corporate secretarial matters and advises the Board on governance matters. The Company Secretary also attends all Board and Board committee meetings and provides assistance to the Chairman in ensuring adherence to Board procedures.

The Board takes independent professional advice as and when necessary, at the Manager's expense, to enable it and/or the Independent Directors to discharge their responsibilities effectively. The AC meets the external and internal auditors separately at least once a year, without the presence of Management.

Corporate Governance Report

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7: Formal and Transparent Procedure for Fixing the Remuneration of Directors

Level and Mix of Remuneration
Principle 8: Appropriate Level of Remuneration

Disclosure on Remuneration
Principle 9: Clear Disclosure of Remuneration Matters

Our Policy and Practices
The Manager adopts the principle that remuneration matters should be sufficiently structured and benchmarked with good market practices to attract qualified talent to grow and manage its business.

The Manager adopts the principle that remuneration for the Board and senior management should be viewed in totality. The remuneration structure supports the continuous development of the management bench strength to ensure robust talent management and succession planning.

Pursuant to the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04-G07), the Manager has disclosed in this report information on its NRC as set out below.

Additional information on remuneration matters are disclosed in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD") in compliance with the requirements of the AIFMD.

Nominating and Remuneration Committee
The Manager has established the NRC which consists of a minimum of three members and is constituted in a way that enables it to exercise its judgment and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business.

The current members are: Mr. Lok Vi Ming, Lead Independent Non-Executive Director and Chairman of NRC, Ms. Tan Su Shan, Independent Non-Executive Director and Mr. Hiew Yoon Khong, Non-Executive Director. The NRC met once during FY18/19 and was guided by an independent remuneration consultant Willis Towers Watson, who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with their ability to provide independent advice to the NRC.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating and remuneration committee, which include assisting the Board in matters relating to:

- reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors and of members to the various Board committees;
- reviewing and recommending to the Board the succession plan for the Executive Director and CEO of the Manager;
- the remuneration framework for the Directors, Executive Director and CEO, and senior management of the Manager, including all option plans, stock plans and the like, as well as the performance hurdles of such plans;
- the specific remuneration package for the Executive Director and CEO of the Manager; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

Decision-Making Process for Determining the Remuneration Policy
The NRC is responsible for the annual review of the Manager's remuneration policy, its implementation and ensuring compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows the full-year financial results to be considered along with the other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind. The overarching principle is to promote sustainable long-term success of MNACT. The remuneration policy should:

- **Align with Unitholders:** A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MNACT phantom units, thereby aligning the interests of employees and Unitholders;
- **Align with performance:** Total variable compensation is managed taking into consideration financial performance and achievement of non-financial goals;
- **Encourage retention:** Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and
- **Be competitive:** Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by independent remuneration consultant to the market.

In determining specific individual compensation amounts, a number of factors are considered including non-financial goals and objectives, financial performance of MNACT and the individual performance and contributions to MNACT during the financial year. Particularly for senior management and key management employees, a portion of their variable compensation is deferred and subjected to downside risks to prevent excessive risk taking.

The key objectives and features of the Manager's policy on the remuneration of its Directors are as follows:

- the level of directors' fees should be appropriate (but not excessive) to attract and motivate the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are reviewed annually and subject to the approval of the Manager's shareholder;
- to ensure that each Directors' fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and Directors who perform additional role through the Board committees are paid additional fees for such services;
- Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors, and the CEO also does not receive any director's fees in her capacity as a Director; and
- no Director is involved in deciding his or her own remuneration.

Directors' fees are paid entirely in cash.

The key objectives and features of the Manager's policy on the remuneration of its executives are as follows:

- the level and structure of executive remuneration should be competitive (but not excessive) to attract, motivate and retain a pool of talented executives for the present and future growth of the Manager; and
- executive remuneration should be performance-related with a view to promoting the long-term success and sustainability of the Manager.

The CEO is not present during the discussions relating to her own compensation and terms and conditions of service, and the review of her performance. However, the Board, with the assistance of the NRC, reviews the CEO's performance and the NRC Chairman, or his designate, will share with the CEO their views of her performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board, with the assistance of the NRC, reviews the CEO's specific remuneration package to ensure its compliance with the substance and spirit of such directions and guidelines from the MAS.

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not by MNACT. The Manager has set out in the table below information on the fees paid to the Directors for FY18/19:

Name of Director	Membership	FY18/19
Mr. Paul Ma Kah Woh	Non-Executive Chairman and Director	S$121,000
Mr. Kevin Kwok	Independent Non-Executive Director and Chairman of the AC	S$101,000
Mr. Lok Vi Ming	Lead Independent Non-Executive Director and Chairman of the NRC	S$112,734[1]
Mr. Lawrence Wong Liang Ying	Independent Non-Executive Director and Member of the AC	S$39,266[1]
Mr. Michael Kok Pak Kuan	Independent Non-Executive Director and Member of the AC	S$88,500
Ms. Tan Su Shan	Independent Non-Executive Director and Member of the NRC	S$78,500
Mr. Hiew Yoon Khong	Non-Executive Director and Member of the NRC	Nil[2]
Mr. Chua Tiow Chye	Non-Executive Director	Nil[2]
Ms. Cindy Chow Pei Pei	Executive Director and CEO	Nil[3]

Notes:
1 Pro-rated fees paid for FY18/19.
2 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.
3 The CEO does not receive any director's fees in her capacity as a Director.

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Link Between Pay and Performance

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. Fixed pay comprises a salary and an annual wage supplement. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles. Allowances and benefits include statutory provident contributions and benefits-in-kind to enable employees to undertake their role by ensuring their well-being.

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving the organisational effectiveness and operational efficiency of the Manager, e.g. results of Control Self-Assessment, implementation of Employee Engagement Survey 2017 action plans, participation in Corporate Social Responsibility ("CSR") events, customer/shoppers' satisfaction, and investor engagement. The VB amount is assessed based on the achievement of financial KPIs such as Net Property Income ("NPI") Yield, Distribution per unit ("DPU") and Weighted Average Lease Expiry ("WALE") which measure the financial metrics essential to the Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MNACT's Total Shareholder Return ("TSR") targets and value of a notional investment in MNACT.

To this end, the NRC has reviewed the performance of the Manager for FY18/19 and is satisfied that all KPIs have largely been achieved.

For senior management, a significant proportion of their variable incentive is deferred under the Manager's VB banking mechanism and vesting schedule of LTI award. Deferral of these two components is a key mechanism to building sustainable business performance. Under the VB banking mechanism, only a portion of a VB award declared in the financial year will be paid out while the rest of the VB award will be deferred and paid out in the subsequent years. The deferred VB award will be subjected to downside risks depending on future performance. This ensures alignment between remuneration and sustaining business performance in the longer-term. For the LTI award, it is subject to three to five years vesting schedule. The settlement value of the LTI award is linked to the value of MNACT units at the time of vesting.

Employees of the Manager are eligible to be considered for variable pay each year. Variable pay for all employees takes into account MNACT, the Manager and the individual's performance against agreed financial and non-financial objectives similar to that of the senior management. However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

Over the last 5 financial years, the Manager has achieved outstanding results for MNACT by delivering strong returns to Unitholders, as measured by the performance of unit price, DPU growth and NPI growth. In recognition of this, a one-time discretionary bonus was declared to the employees of the Manager, which was over and above the regular variable pay. Similar to the existing variable pay scheme, the one-time discretionary bonus declared will be subjected to the VB banking mechanism and contains a deferred element.

The Manager will continue to be guided by the objective to deliver long term sustainable returns to Unitholders, and the remuneration of the senior management team will continue to be aligned with the goal of value creation for Unitholders. The performance will be measured over the next 5-year period, with an interim review at the end of the third year.

All fixed pay, variable incentives and allowances, including the one-time discretionary bonus are payable wholly in cash. All payments are entirely paid by the Manager and not an additional expense imposed on MNACT.

To assess the individual performance, a 5-point rating scale is used by the supervisors to provide an overall assessment of an employee's performance, and employees are required to perform a self-evaluation. The overall final rating is reconciled during each employee's performance appraisal.

The remuneration for the CEO in bands of S$250,000, and a breakdown of the remuneration of the CEO and all of the key management personnel of the Manager in percentage terms, are provided in the remuneration table presented on page 87. At present, there are only 4 key management personnel of the Manager (including the CEO).

Remuneration Breakdown Bands for CEO and Key Management Personnel for FY18/19					
Name of Director	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$2,000,000 to S$2,250,000					
Ms. Cindy Chow Pei Pei	20%	50%	30%	N.M.[3]	100%
Other Key Management Personnel					
Mr. Ng Wah Keong	31%	45%	24%	N.M.[3]	100%
Ms. Sandra Cheng[4]	31%	45%	24%	N.M.[3]	100%
Mr. Ng Chern Shiong	44%	43%	13%	N.M.[3]	100%

Notes:

1 The amounts disclosed are bonuses declared during the financial year including a one-time discretionary bonus awarded to the Manager for achieving outstanding performance for MNACT over the last 5 years. Similar to existing variable pay scheme, the one-time discretionary bonus declared is subject to banking mechanism and contains deferred element.

2 The amounts disclosed include the grant value of the LTI awards. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MNACT's TSR targets and fulfilment of vesting period of up to five years.

3 Not meaningful.

4 Ms. Sandra Cheng is the General Manager of Festival Walk and is deemed a key management personnel who has responsibility for the management of Festival Walk, which is material to the performance of MNACT.

The total remuneration for the CEO and the key management personnel in FY18/19 was S$4.39 million.

The Manager is cognisant of the requirements in the Code and the "*Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management*" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure. The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed but paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided. Further, there are sufficient information provided on the Manager's remuneration framework to enable the Unitholders to understand the link between the performance of MNACT and the remuneration paid to the CEO and key management personnel of the Manager.

There were no employees of the Manager who were immediate family members of a Director or the CEO of the Manager and whose remuneration exceeded S$50,000 during FY18/19.

Quantitative Remuneration Disclosure under AIFMD

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of MNACT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies.

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2019 was S$5.56 million. This figure comprised fixed pay of S$1.97 million, variable pay of S$3.44 million and Allowances/Benefits-in-kind of S$0.15 million. There were a total of 15 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2019, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MNACT) was S$4.08 million, comprising 5 individuals having considered, among others, their roles and decision making powers.

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(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Balanced and Understandable Assessment of the Company's Performance, Position and Prospects

Our Policy and Practices

The Board is responsible for providing a balanced and understandable assessment of MNACT's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators, if required.

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value.

The Manager complies with statutory and regulatory requirements and adopts best practices in the Group's business processes. The Manager also updates the Board on the Group's performance and its business and market outlook on a regular basis, so as to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

Risk Management and Internal Controls

Principle 11: Sound System of Risk Management and Internal Controls

Our Policy and Practices

The Manager adopts the principle that a sound system of internal controls and risk management is necessary for the Group's business.

The Manager, working with the Sponsor, has established internal control and risk management systems that address key operational, financial, compliance and information technology risks relevant to the Group's business and operating environment. These systems provide reasonable but not absolute assurance on the achievement of their intended internal control and risk management objectives.

The key elements of the Group's internal control and risk management systems are as follows:

Operating Structure

The Manager has a well-defined operating structure with clear lines of responsibility and delegated authority, as well as reporting mechanisms to senior management and the Board. This structure includes certain functions, such as Human Resources, Information Systems & Technology, Internal Audit, Legal and Risk Management, which are outsourced to the Sponsor. The Manager also conducts an annual review of such outsourced functions to ensure required performance standards are met.

Policies, Procedures and Practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities. Approval sub-limits are also provided at various management levels to facilitate operational efficiency, as well as provide a system of checks and balances.

The Board's approval is required for material transactions undertaken by the Group, including the following:

- equity fund-raising;
- acquisition, development and disposal of properties above Board-prescribed limits;
- overall project budget variance and *ad hoc* development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency. The Group has implemented a Control Self-Assessment programme to reinforce risk awareness and compliance with internal controls within the Group, by fostering accountability, control and risk ownership.

The Internal Audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control procedures and policies established within the internal control and risk management systems. The Internal Audit function is also involved in the validation of the results from the Control Self-Assessment programme.

Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected improper conduct, including possible financial irregularities, while protecting the whistle-blowers from reprisals. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for investigation and to the AC of the Manager on the findings.

For queries or to make a report, please write to *reporting@mapletree.com.sg*.

Risk Management
Risk management is an integral part of the Manager's business strategy. In order to safeguard and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process into the Manager's planning and decision-making process.

The risk management function which is outsourced to the Sponsor's Risk Management Department oversees the Enterprise Risk Management ("ERM") framework. The Risk Management Department reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters to the AC and the Board independently, on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. The Manager has identified key risks, assessed their likelihood and impact on MNACT's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Risk Management Department works closely with the Manager to review and enhance the risk management system, with the guidance and direction of the AC and the Board.

The Manager's policies and procedures relating to risk management can be found on pages 72 to 74 of this Annual Report.

Information Technology Controls
As part of the Group's risk management process, information technology controls and cybersecurity measures have been put in place and are periodically reviewed to ensure that information technology risks any cybersecurity threats are identified and mitigated. In addition, as part of the Manager's business continuity plan, information technology disaster recovery planning and tests are conducted to ensure that critical information technology systems remain functional in a crisis situation.

An annual review of the information technology controls was conducted by the Sponsor's Internal Audit Department as part of the FY18/19 annual Control Self-Assessment programme. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were implemented as at 31 March 2019.

In addition, for FY18/19, independent third parties were engaged to perform a Cybersecurity Maturity Assessment which covered a review of the Group's IT policies and Standard Operating Procedures and a Vulnerability Assessment and Penetration Test to ensure that the appropriate information technology controls and cybersecurity measures were in place.

Financial Reporting
The Board is updated on a quarterly basis on the Group's financial performance. The Manager reports on significant variances in financial performance, in comparison with budgets and financial performance of corresponding periods in the preceding year and provides an updated full year forecast. In addition, the Board is provided with quarterly updates on key operational activities of the Group.

A management representation letter is provided to the AC and Board quarterly by the Manager in connection with the preparation of the Group's financial statements. The representation letter is supported by declarations made individually by the various Heads of Department. Compliance checklists on announcement of financial statements, which are required for submission to the SGX-ST, are reviewed and confirmed by the Chief Financial Officer ("CFO") of the Manager.

The Group's financial results are reported to Unitholders quarterly in accordance with the requirements of the SGX-ST, and since FY18/19, are prepared in accordance with Singapore Financial Reporting Standards (International). These results announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full-year financial performance of the Group can be found on pages 16 to 25 and pages 121 to 192 of this Annual Report.

Financial Management
As a financial and operational discipline, Management reviews on a monthly basis the performance of the MNACT portfolio properties.

The key financial risks which the Group is exposed to include interest rate risk, liquidity risk, currency risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest and/or currency rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found on pages 22 - 24 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Corporate Governance Report

Internal Audit

The internal audit function, which is outsourced to the Sponsor's Internal Audit Department, prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Group's system of internal controls. This audit plan is approved, before execution, by the AC, which has oversight of the Internal Audit function. The Sponsor's Internal Audit Department is also involved during the year in conducting *ad hoc* audits and reviews that may be requested by the AC or Management on specific areas of concern, including validating the responses under the Manager's Control Self-Assessment programme. In doing so, the Sponsor's Internal Audit Department is able to obtain assurance that business objectives for the internal control processes under review are being achieved and key control mechanisms are in place.

Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. The Sponsor's Internal Audit Department monitors and reports on a quarterly basis the timely implementation of the action plans to Management and the AC.

The external auditors also provide an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the AC on an annual basis. The external auditors are also updated on the findings of the Manager's Control Self-Assessment programme.

Transaction Review Committee

The Sponsor has established a Transaction Review Committee comprising three independent directors of the Sponsor to: (a) resolve any potential conflict of interest that may arise between MNACT and the Mapletree China Opportunity Fund II (whose investment mandate includes investment properties in China) as well as any Future Greater China Commercial Private Fund[1] (whose investment mandate includes commercial properties in Greater China) concerning the process to be undertaken to acquire investment properties in Greater China; and (b) grant approval for the acquisition of any seed asset for a Future Greater China Commercial Private Fund. With regard to (a), the Transaction Review Committee process will not apply if the proposed acquisition is by way of a tender, auction or other form of competitive process.

Interested Person Transactions

All interested person transactions are undertaken on normal commercial terms and the AC regularly reviews all interested person transactions to ensure compliance with the internal control system, as well as with relevant provisions of the Listing Manual and the Property Funds Appendix. In addition, the Trustee has the right to review such transactions to ascertain that the Property Funds Appendix has been complied with.

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY18/19 are set out on page 195 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

1 Any private funds or follow-on private funds set up or managed by the Sponsor with an investment mandate for commercial properties in Greater China, as described in page 201 of the Prospectus dated 27 February 2013.

Dealing in MNACT units

The Manager adopts the best practices on dealings in securities as set out in the Listing Manual. All Directors are required to disclose their interests in MNACT and are also provided with disclosures of interests by other Directors, as well as reminders on trading restrictions.

On trading in MNACT units, the Directors and employees of the Manager are reminded not to deal in MNACT units on short-term considerations and are prohibited from dealing in MNACT units:

- in the period commencing one month before the public announcement of the Group's annual results;
- in the period commencing two weeks before the public announcement of the Group's quarterly and semi-annual results; and
- at any time whilst in possession of price-sensitive information.

Each Director is required to notify the Manager of his or her acquisition of MNACT units or of changes in the number of MNACT units which he or she holds or in which he or she has an interest, within two business days of such acquisition or change of interest. In addition, employees of the Manager and the Sponsor are to give pre-trading notifications before any dealing in MNACT units.

Role of the Board and AC

The Board recognises the importance of maintaining a sound internal control and risk management system to safeguard the assets of the Group and Unitholders' interests, through a framework that enables risks to be assessed and managed.

The AC provides oversight of the financial reporting risks, accounting policies and the adequacy and effectiveness of the Group's internal control and risk management systems, as well as its compliance processes.

The Board and the AC also take into account the results from the Control Self-Assessment programme, which requires various departments to review and report on compliance with key control processes. As part of the CSA programme, the Internal Audit function performs a validation of management's self-assessment responses on a sampling basis, after which the validated self-assessment results are reported to the AC and Board.

It should be recognised that all internal control and risk management systems contain inherent limitations and, accordingly, the internal control and risk management systems can only provide reasonable but not absolute assurance.

The Board has received written assurance from the CEO and the CFO that: (a) the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's internal control and risk management systems are effective.

Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager, work performed by the Internal Audit and Risk Management Departments, as well as by the external auditors and reviews performed by Management and the above-mentioned assurance's from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group as at 31 March 2019.

Audit and Risk Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Our Policy and Practices

The Board is supported by the AC which provides additional oversight of financial risks and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

The Manager adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC chairman, must be independent.

The AC consists of three members, all of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

- Mr. Kevin Kwok, Chairman;
- Mr. Michael Kok Pak Kuan, Member; and
- Mr. Lawrence Wong Liang Ying, Member.

None of the AC members are a partner or director of the incumbent external auditors, PricewaterhouseCoopers International Limited ("PwC"), within the previous 12 months, nor does any of the AC members have any financial interest in PwC.

The AC has written terms of reference setting out its scope and

Corporate Governance Report

authority, which include:

- examination of interested person transactions;
- review and approval of the scope of internal audit activities;
- review of audit findings of internal and external auditors, as well as management responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY18/19, S$312,000 was paid/payable to the member firms of PwC for audit services for the Group, and S$182,000 was paid to the network of member firms of PwC for non-audit services as the independent reporting auditor relating to the acquisition of the Japan Properties. The AC has undertaken a review of all non-audit services provided by PwC and is of the opinion that such non-audit services would not affect the independence of PwC as the external auditors;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- recommendation to the Board on the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- meets at least once a year with the external and internal auditors, without the presence of Management, to review and discuss the financial reporting process, system of internal controls (including financial, operational, compliance and information technology controls) and significant concerns, audit comments and recommendations;
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which staff may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discusses during the AC meetings any changes to accounting standards and issues which have a direct impact on the financial statements.

In the review of the financial statements, the AC has discussed with Management the accounting standards and reporting framework that were applied and their judgment of items that might affect the fairness of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC reviewed, amongst other matters, the key audit matter as reported by the external auditors for the financial year ended 31 March 2019 as follows:

Significant matter	How the AC reviewed this matter and what decisions were made
Valuation of investment properties	The AC considered the objectivity, independence and expertise of the external valuers engaged by the Manager. The AC has reviewed and approved the appointment of the valuation experts, that possess the relevant credentials and knowledge of valuation of investment properties. The AC also ensures that the external valuers do not value the same property for more than two consecutive financial years in compliance with the Code on Collective Investment Schemes ("CCIS"). The AC has discussed the details of the valuation with Management, including the evaluation of the key assumptions used by the external valuers in the valuation methodologies. The AC considered the work performed by the external auditors, who have involved their internal specialists, on their assessment of the appropriateness of the valuation methodologies and the reasonableness of the underlying assumptions as well as the estimates and underlying data adopted by the external valuers. The AC is satisfied with the valuation approach, the key assumptions used in the valuation methodologies, and the valuation of the investment properties as adopted and disclosed in the financial statements. In doing so, the AC has also considered the appropriateness of the disclosures in the financial statements. No other significant matter came to the attention of the AC during the course of their review.

A total of five AC meetings were held in FY18/19.

The Manager, on behalf of the Group, confirms that the Group has complied with Rules 712 and 715 of the Listing Manual in relation to the Group's auditing firm.

Internal Audit

Principle 13: Independent Internal Audit Function

Our Policy and Practices

The Manager adopts the principle that a robust system of internal audits is required to safeguard Unitholders' interests, the Group's assets, and to manage risks. Apart from the AC, other Board committees may be set up from time to time to address specific issues or risks.

The internal audit function of the Group is outsourced to the Sponsor's Internal Audit Department and the Head of Internal Audit reports directly to the Chairman of the AC of both the Manager and the Sponsor.

The AC is consulted and provides feedback to the AC of the Sponsor in the hiring, removal, and evaluation of the Head of Internal Audit. The Sponsor's Internal Audit Department and the Head of Internal Audit have unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC.

The role of the Sponsor's Internal Audit Department is to conduct internal audit work in consultation with, but independently of Management. Its annual audit plan are submitted to the AC for approval and audit findings are submitted to the AC on a periodic basis. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.

The Sponsor's Internal Audit Department is a member of the Singapore branch of the Institute of Internal Auditors Inc. (the "IIA"), which has its headquarters in the USA. The Sponsor's Internal Audit Department subscribes to, and is in conformance with, the International Standards for the Professional Practice of Internal Auditing developed by the IIA (the "IIA Standards") and has incorporated these standards into its audit practices.

The IIA Standards cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the Information System Audit and Control Association (the "ISACA") in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

To ensure that the internal audits are performed by competent professionals, the Sponsor's Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the Sponsor's Internal Audit Department identifies and provides training and development opportunities to the employees.

In compliance with the IIA Standards, an external quality assessment review ("QAR") of the Sponsor's Internal Audit Department is conducted at least once every five years by a qualified, independent reviewer. In December 2018, an external QAR of Sponsor's Internal Audit Department was completed (following the previous QAR completed in 2013). The external QAR reviewer had concluded that the Sponsor's Internal Audit Department was in conformance with the IIA Standards.

For FY18/19, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Unitholder Rights

Principle 14: Fair and Equitable Treatment of all Unitholders

Communication with Unitholders

Principle 15: Regular, Effective and Fair Communication with Unitholders

Conduct of Unitholder Meetings

Principle 16: Greater Unitholder Participation at Annual General Meetings

Our Policy and Practices

The Manager adopts the principle that all Unitholders should be treated fairly and equitably and their ownership rights arising from their unitholdings should be recognised.

To this end, the Manager issues via SGXNET announcements and press releases on the Group's latest corporate developments on an immediate basis where required by the Listing Manual. Where immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

Corporate Governance Report

All Unitholders can access the electronic copy of the Annual Report which is published via SGXNET as well as MNACT's website. All Unitholders will receive a booklet containing key highlights of MNACT, instructions on accessing the Annual Report online with the option of receiving a printed version of the Annual Report, a notice of annual general meeting and a proxy form with instructions on the appointment of proxies. The notice of annual general meeting for each annual general meeting is also published via SGXNET and advertised in the press. An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditors are also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the records of their attendance of meetings set out at page 79 of this Annual Report.

Similarly, where a general meeting is convened, all Unitholders are entitled to receive a circular enclosing a proxy form with instructions on the appointment of proxies. Prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate them in exercising their votes.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at an annual general meeting. Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings. To keep the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analyst consensus estimates and views.

Minutes of the general meeting recording the substantive and relevant comments made and questions raised by Unitholders are taken and are available to Unitholders for their inspection upon request. Minutes of the annual general meeting are also available on MNACT's website at *www.mapletreenorthasiacommercialtrust.com*.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme.

The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MNACT's website.

Investors can subscribe to email alerts of all announcements and press releases issued by MNACT through its website. "Live" webcast of analyst briefings are conducted, where practicable.

The Manager also communicates with MNACT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors. More information on the Manager's investor relations with Unitholders can be found in the Investor Relations section on pages 75 to 77 of this Annual Report.

MNACT's distribution policy is to distribute at least 90% of its distributable income and such distributions were paid on a quarterly basis from FY18/19 .

Sustainability Report

Contents

Board Statement

[GRI 102-14,102-54]

The Board of Directors (the "Board") is pleased to present MNACT's third Sustainability Report in accordance with the internationally recognised Global Reporting Initiatives ("GRI") Standards (2016) – Core Option.

MNACT's mission to deliver long-term growth in distributions is built on the management of environmental, social and governance ("ESG") issues as an integral part of its strategy. This report sets forth on how the Manager and the Property Manager adopt ESG practices, measure performance and engage stakeholders, in line with our commitment to being a responsible corporate citizen.

During FY18/19, the Board validated the material ESG factors, which were identified by the Manager as significant to MNACT's business. The Board also provides oversight of MNACT's sustainability strategy through the Manager's representation in both the Sponsor's Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC").

The Manager and the Property Manager continued to advance sustainability efforts and these include:

- Overhauling two cooling towers and upgrading to energy-efficient lighting at Festival Walk;
- Tracking of utilities data using technology at Festival Walk and Sandhill Plaza;
- Improving water efficiency by 4.0% in FY18/19 compared to FY17/18 through adopting water-saving initiatives across various assets;
- Setting up of a cross-functional safety management committee at Festival Walk as part of our ongoing efforts to promote a strong health and safety culture;
- Organising eight corporate social responsibility initiatives in Beijing, Hong Kong SAR, Shanghai and Singapore involving staff participation.

In this year's report, we have also mapped the material ESG factors into seven relevant Sustainable Development Goals ("SDGs") where we can contribute to, in support of United Nations' 2030 Agenda for Sustainable Development.

We are mindful that there is still more that can be done to continue to create a positive impact on the environment and the communities. We look forward to sharing with you MNACT's progress in the coming years as we continue to build upon our sustainability strategy for MNACT and enhance its sustainability performance.

The Board
MNACTM

MNACT's Sustainability Reporting Journey

FY18/19 REPORT ENHANCEMENT

- Adoption of Sustainable Development Goals (SDGs)
- Greater stakeholder engagement

FY17/18 SGX COMPLIANCE

- Materiality review
- Framework enhancement
- SGX- and GRI-aligned sustainability report

FY16/17 LAYING THE FOUNDATION

- Internal stakeholder engagement and materiality assessment
- Framework development
- GRI-aligned sustainability report

Sustainability Report

About this Report

[GRI 102-46, 102-50, 102-53, 102-56]

This report covers the sustainability data of all the nine properties within MNACT's portfolio for the period from 1 April 2018 to 31 March 2019, unless otherwise stated. For the Japan Properties, data since 1 April 2018 has been included for the purpose of consolidating at the portfolio level though the acquisition of the Japan Properties was completed in May 2018.

The content and topic boundaries in this report reflect the Manager's overall sustainability strategy, and is aligned with the GRI's Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. Additionally, the Report also meets the requirements of the SGX-ST Listing Rules (711A and 7111B) - Sustainability Reporting Guide.

Although this report has not been externally verified, it has been reviewed by an external reporting consultancy and has gone through a detailed internal review process. The Manager will review the need for external assurance as it continues to refine MNACT's sustainability reporting framework.

The Manager welcomes feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or MNACT's sustainability performance to:

Ms. Elizabeth Loo
Investor Relations
Email: *enquiries_mnact@mapletree.com.sg*

Sustainability Approach

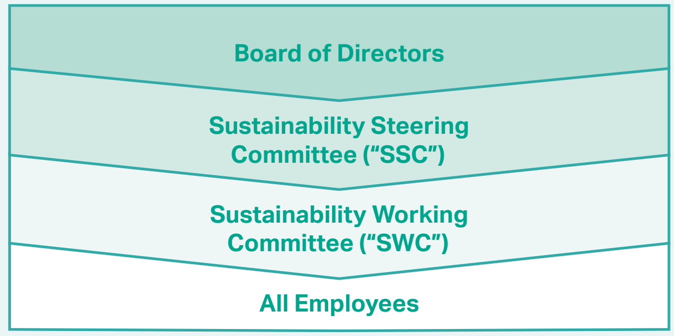
[GRI 102-16]

The Manager's sustainability approach is aligned to that of the Sponsor, demonstrating a unified commitment towards sustainability across the Mapletree Group. The Manager and the Property Manager strive to uphold strong corporate governance and prudent risk management practices. We do our part in minimising the environmental footprint of MNACT's operations, safeguard the health and safety of our employees, shoppers and tenants as well as support projects that have a positive impact on local communities.

As the REIT grows, we continue to stay relevant by identifying and addressing MNACT's key sustainability risks and opportunities as well as ensure clear policies and practices are in place. Together, these efforts allow us to create long-term value for all stakeholders.

Sustainability Governance

[GRI 102-18]



To effectively implement MNACT's sustainability approach and demonstrate accountability to its stakeholders, the Manager has a set of policies, practices as well as dedicated committees to govern MNACT's sustainability activities.

The Sponsor's SSC continues to set the strategic direction, approach and targets of sustainability across the Mapletree Group and has overall responsibility in managing sustainability. Ms. Cindy Chow, Executive Director and CEO, represents the Manager in the SSC. Supporting the SSC, the SWC helps to implement, execute and monitor the sustainability policies and practices to ensure continuous progress and improvement. All the employees of the Manager and the Property Manager are encouraged to take shared ownership of ESG issues towards excellence in sustainability.

Monitoring and Benchmarking

The Manager and the Property Manager strive to meet the sustainability performance targets as disclosed in MNACT's FY17/18 sustainability report, monitor MNACT's progress against these targets and identify areas of improvement. By doing so on a regular basis, the effectiveness of existing policies and measures are ascertained and necessary measures are taken to address any performance gaps. The respective sections in the rest of this report details MNACT's progress against targets set out in FY17/18.

Materiality and the SDGs

[GRI 102-46, 102-47, 103-1]

The Manager reviews the sustainability issues that are most material to MNACT's business and stakeholders annually. These material issues are considered in the context of emerging global trends, material topics identified by MNACT's peers and the REIT's existing operations. The Manager has also considered the impact of these issues on the properties, stakeholders and the communities in which the assets operate. MNACT's material ESG factors in FY18/19 remained the same as the eight identified in FY17/18. There is also disclosure on two additional environmental factors – Waste Management and Indoor Air Quality – in this report.

As set out in the Board Statement, the Manager took an active step this year to support the SDGs in addressing the Sustainable Development Agenda. For each material factor, the table below maps out the corresponding GRI standards and respective SDGs, while outlining these goals.

Theme	Material Factors	Corresponding GRI Standards	Aligned to Relevant SDGs
Economic	Economic Performance	GRI 201: Economic Performance 2016	8 DECENT WORK AND ECONOMIC GROWTH
Environment	Energy	GRI 302: Energy 2016	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
	Water	GRI 303: Water 2016	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Social	Health and Safety	GRI 403: Occupational Health and Safety 2016 GRI 416: Customer Health and Safety 2016	3 GOOD HEALTH AND WELL-BEING
	Employment and Talent Retention	GRI 401: Employment 2016 GRI 404: Training and Education 2016	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
	Local Communities	GRI 413: Local Communities 2016	3 GOOD HEALTH AND WELL-BEING; 17 PARTNERSHIPS FOR THE GOALS
Governance	Anti-Corruption	GRI 205: Anti-corruption 2016	17 PARTNERSHIPS FOR THE GOALS
	Compliance with Laws & Regulations	GRI 307: Environmental Compliance 2016 GRI 417: Marketing and Labeling 2016 GRI 419: Socioeconomic Compliance 2016	
Others	**Non-Material Factors**		
Environment	Waste Management Indoor Air Quality		

Sustainability Report

Stakeholder Engagement

[GRI 102-40, 102-42, 102-43, 102-44]

The Manager has identified seven key stakeholder groups which either have a significant impact on, or are significantly impacted by, MNACT's sustainability performance. Frequent engagement with stakeholders are undertaken to facilitate continuous improvements to the operations, ensuring that their needs and concerns are addressed. The table below summarises the Manager's and the Property Manager's interactions with key stakeholders to address their concerns.

Throughout the Year | Once or at Least Once a Year | Twice or Three Times a Year | Monthly | Once Every Two to Three Years | Ad-hoc

Key Stakeholders	Forms of Engagement	Engagement Frequency	Key Topics and Concerns → **Our Response** (Please refer to the respective sections in the Annual Report)
Shoppers (pertaining to Festival Walk)	Advertisement and promotional events	Throughout the Year	1 Enhanced shopping experiences → Property Portfolio Summary and Review (Pages 34 - 35: Fine-tuning Tenant Mix, Pages 36 - 37: Events and Promotions) 2 Range of amenities and choice of brands → Property Portfolio Summary and Review (Pages 34 - 35: Fine-tuning Tenant Mix, Page 31: Active Asset Enhancement) 3 Considerations for safety and accessibility → Sustainability Report (Pages 108 - 110, 114) 4 Easy connectivity to public transport → Property Portfolio Summary and Review (Page 30: map of Festival Walk to show connectivity)
	Customer service	Throughout the Year	
	Online and mobile communication platforms, and social media (e.g. Facebook, WeChat, Instagram and Festival Walk app)	Throughout the Year	
	Tourist passports and U-Card App student privileges	Throughout the Year	
	Customer surveys	Twice or Three Times a Year	
Tenants	Informal tenant gatherings, meetings and feedback sessions	Throughout the Year	1 Quality office space and range of amenities → Property Portfolio Summary and Review (Pages 26 - 43) 2 Efficient office/shop layout → Shops and offices have high-quality specifications 3 Comfortable and safe work environment → Sustainability Report (Pages 108 - 110) 4 Higher shopper traffic (for Festival Walk) → Property Portfolio Summary and Review (Pages 34 - 35: Fine-tuning Tenant Mix, Pages 36 - 37: Events and Promotions)
	Joint promotions and partnerships	Throughout the Year	
	Tenant's engagement activities	Ad-hoc	
	Newsletters and tenant circulars	Ad-hoc	
	Fire and safety drills	Once or at Least Once a Year	
Investors (including Unitholders, analysts and media)	Annual and Extraordinary General Meetings	Once or at Least Once a Year	1 Long-term sustainable distributions → Financial Review and Capital Management (Page 25) 2 Transparency on reporting of economic, social and environmental concerns → Sustainability Report (Pages 95 - 120) 3 Good corporate governance → Corporate Governance Report (Pages 78 - 94) 4 Active portfolio management → Property Portfolio Summary and Review (Pages 26 - 43) 5 Prudent capital management → Financial Review and Capital Management (Pages 22 - 24)
	SGXNet announcements and website updates	Throughout the Year	
	Non-deal roadshows and conferences	Throughout the Year	
	Meetings, conference calls and site tours of properties	Throughout the Year	

Key Stakeholders	Forms of Engagement	Engagement Frequency	Key Topics and Concerns → **Our Response** (Please refer to the respective sections in the Annual Report)
Trustee	Monthly reporting and updates		1 Safeguard the rights and interests of the Unitholders → Corporate Governance Report (Pages 78 - 94) 2 Ensure compliance with the Trust Deed and regulations → Corporate Governance Report (Pages 78 - 94); Sustainability Report (Page 117) 3 Open communication channels → Regular engagement with Trustee during the year
	Ongoing dialogues and regular feedback		
Employees	Recreational and wellness activities		1 Equitable remuneration → Sustainability Report (Pages 111 - 113) 2 Fair and competitive employment practices and policies → Sustainability Report (Pages 111 - 113) 3 Safe and healthy working environment → Sustainability Report (Pages 108 - 110) 4 Focus on employee development and well-being → Sustainability Report (Pages 111 - 113)
	Regular mailers and meetings		
	Town hall sessions		
	Career development performance appraisals		
	Engagement surveys		
	Formal and informal staff communication and feedback sessions with Management		
	Training and development programmes		
	Induction programme for new employees		
Business Partners (including Governments, regulators, suppliers and third-party service providers)	Ongoing dialogue sessions		1 Fair and reasonable business practices 2 Compliance with rules and regulations → Sustainability Report (Page 117)
	Meetings, inspections and networking events		
	Letters and e-mails		
Local Communities	Corporate philanthropy		1 Charitable causes championed by non-profit organisations → Sustainability Report (Pages 114 - 116) 2 Sustainable environmental practices carried out → Sustainability Report (Pages 100 - 107)
	Environmentally and socially responsible practices		

Sustainability Report

ECONOMIC PERFORMANCE

[GRI 103-1, 103-2, 103-3, 201-1]

Our Commitment

- **Deliver regular and stable returns to Unitholders and to achieve long-term sustainable growth in DPU**

MNACT achieved resilient financial performance for FY18/19, underpinned by the quality of its assets and additional contribution from the newly acquired Japan Properties. Please refer to the following sections of this Annual Report for more information – Financial Highlights (Pages 2 - 3), Financial Review and Capital Management (Pages 16 - 25) as well as the Financial Statements (Pages 121 - 192).

ENVIRONMENT

Our Commitment

- **Seek to improve MNACT's environmental performance in line with the Manager's and the Property Manager's commitment to climate change action**
- **Achieve through the efficient management of natural resources including energy and water, as well as responsible management of waste and indoor air quality**

Scope

The data on energy, water and waste in this report pertains only to the common areas within MNACT's properties that are within the direct control of the Property Manager (where the Property Manager has the ability to monitor and influence the consumption of resources). The properties included under this scope are Festival Walk, Gateway Plaza, Sandhill Plaza and four Japan Properties (ASY, HNB, MON and TSI). As the acquisition of the Japan Properties was completed in May 2018 (ie. within FY18/19), data for the previous years have not been included in this report.

The data also excludes the usage of electricity and water by tenants within the leased premises.

Management Approach and Benchmarks

The Property Manager tracks and monitors the environmental performance at each of the assets. The Manager and the Property Manager strive to invest in achieving certifications for the assets under the respective country's relevant building assessment schemes. Following Festival Walk's successful achievement of Final Platinum rating under Hong Kong SAR's Building Environmental Assessment Method ("BEAM") Plus Existing Buildings Version 1.2 in April 2017, Sandhill Plaza obtained the Certificate of Green Building Label (2 Star), issued by China's Ministry of Construction, in July 2018.

Recognition

At the awards ceremony organised by the Hong Kong Green Shop Alliance, MNACT and Festival Walk were accorded a total of five awards in recognition of the Manager's and the Property Manager's eco-friendly efforts at the mall. For Festival Walk's ongoing efforts to maintain clean air, it earned the '*Good Class*' rating for the mall for the eighth consecutive year, and '*Excellent Class*' rating for the office building for the 11th consecutive year. Both awards were given out by Hong Kong SAR's Environmental Protection Department.

Energy
[GRI 102-12, 103-1, 103-2, 103-3, 302-1, 302-3]

Our Commitment
- **Reduce the energy intensity of the properties by improving energy performance and efficiency**
- **Encourage employees and tenants to adopt energy-saving practices in their day-to-day work**

Why this is Material to Us
Increase in energy use and associated greenhouse gas emissions continue to pose significant threat to global climate change. The main energy consumption of our mall and office buildings comes mainly from electricity usage for lighting, air-conditioning and equipment. Therefore, the Manager and the Property Manager continuously adopt energy efficient practices to reduce the impact on the environment.

Approach
On top of ongoing practices, the table below details new energy-saving initiatives carried out during FY18/19.

Asset	FY18/19 Energy-saving Initiatives
Festival Walk (Hong Kong SAR)	• Overhauled two cooling towers to improve energy performance, resulting in energy savings of approximately 2,000 kWh per year • Installed LED lightings at the common areas of the office block (with estimated energy savings of about 2,500 kWh per year)
Gateway Plaza (Beijing)	• As part of the toilet and common corridor upgrading works, energy-efficient LED lightings will be installed progressively from FY18/19 to FY20/21. As of 31 March 2019, approximately 47% of the lightings have been replaced (expected energy savings of about 52,430 kWh per year upon works completion) • Replaced motors in water pumps and fans to optimise energy efficiency
Sandhill Plaza (Shanghai)	• Enhanced the existing fresh air supply system at the lobby of Block 1[1] so that the supply of fresh air will be automatically adjusted based on set parameters, thus reducing energy requirements • Installed energy-saving LED lightings at common areas of Block 1
ASY (Yokohama)	• Installed eco-friendly compressors for the air-conditioners at the common areas at ASY. Expected annual energy savings of 4,400 kWh per year

Stakeholder Engagement
The Manager and the Property Manager actively engage stakeholders and collaborate with other organisations to raise environmental awareness. During FY18/19, energy-saving activities involving tenants and employees include the following:

- *Energy Savings Charter*[2]: to maintain the average indoor air temperature at Festival Walk between 24°C to 26°C during the summer months;
- Employees and tenants are encouraged to adopt energy-saving practices such as managing indoor air temperature and switching off appliances and systems when not in use;
- *Charter on External Lighting*: External lightings including those for the outdoor billboard and façade logo at Festival Walk are switched off from 11 p.m. to 7 a.m. daily, in support of the initiative led by Hong Kong SAR's Environment Bureau;
- *Earth Hour*™: façade and internal decorative lighting were switched off for an hour on 30 March 2019 at Festival Walk, Gateway Plaza and Sandhill Plaza. Tenants were also encouraged to join the event organised by the World Wide Fund for Nature;
- *Quick electric car charging stations*: 16 stations installed at the basement car park of Sandhill Plaza, bringing convenience to users of electric cars.

1 Sandhill Plaza comprises one 20-storey tower (Block 1) and seven blocks of three-storey buildings.
2 Organised by the Environment Bureau and the Electrical and Mechanical Services Department, Hong Kong SAR Government.

Sustainability Report

ENVIRONMENT

Performance

FY18/19 TARGET FOR ENERGY

Maintain or improve electricity intensity by up to 1% of FY17/18 baseline, assuming the same number of assets.

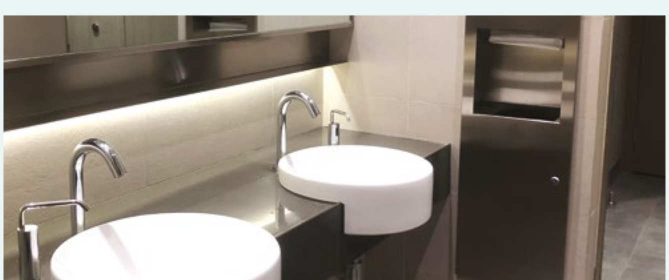
PERFORMANCE

Not Met

Electricity intensity of Festival Walk, Gateway Plaza and Sandhill Plaza in FY18/19 was 0.134 MWh/m², an increase of 0.4% from FY17/18.

In FY18/19, the assets including the four Japan Properties consumed a total of 29,296 megawatt hours ("MWh") of electricity. Excluding the Japan Properties, total energy consumption for Festival Walk, Gateway Plaza and Sandhill Plaza would have increased 0.4% to 28,740 MWh in FY18/19 compared to 28,636 MWh in FY17/18. There were savings in energy at all three assets from the efficiency measures implemented. However, the higher city-wide average temperature in Hong Kong SAR during the months from December 2018 to March 2019 compared to a year ago led to higher air-conditioning usage at Festival Walk. In addition, the asset enhancement works at the toilets and common corridors at Gateway Plaza, which started in FY18/19, contributed to the year-on-year increase in electricity consumption. Nevertheless, there should be expected energy savings upon the completion of the upgrade works at Gateway Plaza.

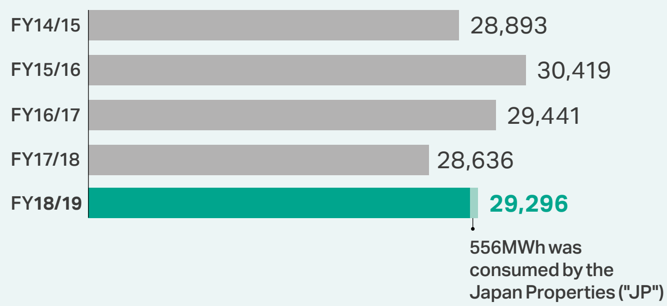
Correspondingly, the average electricity intensity[1] was 0.1329 MWh/m² in FY18/19 for the seven properties in China, Hong Kong SAR and Japan. Excluding the Japan Properties, the average electricity intensity would have been higher by 0.4% from 0.1333 MWh/m² in FY17/18 to 0.1338 MWh/m² in FY18/19. Total GHG emissions[2] from electricity for the seven properties was 15,907 tonnes of carbon dioxide equivalent ("tCO_2e") in FY18/19. Excluding the Japan Properties, GHG emissions edged up by 0.2% while average GHG emissions intensity from electricity increased from 0.0727 tCO_2e/m^2 in FY17/18 to 0.0728 tCO_2e/m^2 in FY18/19.



As part of the ongoing asset enhancement works at Gateway Plaza's toilets, energy-efficient LED lights were installed during the year.

Annual Electricity Consumption

(MWh)

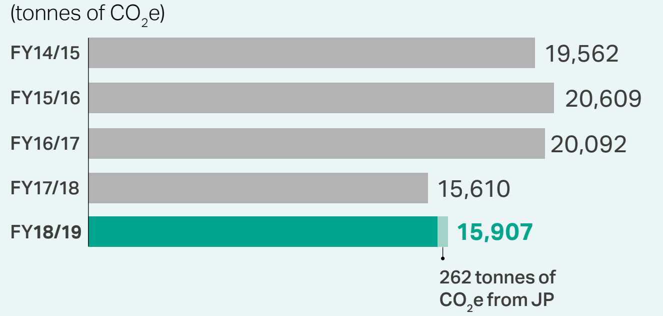


Average Electricity Intensity

(MWh/m²)

Annual GHG Emissions

(tonnes of CO_2e)



1 Electricity intensity refers to electricity consumption over the total gross floor area. The gross floor area for Festival Walk in this report includes areas (such as for plant rooms) that are exempted in the gross floor area calculation under Hong Kong SAR's building regulations.

2 Conversion factors for GHG emissions were obtained from publicly available data for properties in Beijing, Japan and Shanghai and from CLP, Hong Kong SAR's utility company, for Festival Walk.

TARGET FOR FY19/20

Maintain or improve electricity intensity by up to 1% of FY18/19 baseline, assuming the same number of assets.

Initiatives for FY19/20

The Manager and the Property Manager have planned numerous energy-saving initiatives for FY19/20. In addition to continuing some of the initiatives as mentioned on page 101, the following are other initiatives which are aimed at improving electricity intensity:

Asset	FY19/20 Energy-saving Initiatives
Festival Walk (Hong Kong SAR)	• Overhaul one chiller and two cooling towers in FY19/20, with expected energy savings of approximately 72,000 kWh per year • As part of the toilet upgrading works at the office block, LED lightings with motion-activated and photocell sensors will be installed • Embark on energy-saving projects supported by the Eco Building Fund of CLP: i) Replace existing fan coil units ("FCU") with variable speed drive FCU, with approximate energy savings of 5,000 kWh per year; ii) Replace existing fluorescent tubes with LED lightings at common areas in the mall and office block, with expected energy savings of 250,000 kWh per year
Gateway Plaza (Beijing)	• Embark on a one-year systematic retro-commissioning process to assess the performance data of the Heating, Ventilation and Air Conditioning ("HVAC") system and the Building Management System ("BMS") to identify opportunities for further energy and carbon reductions and better thermal comfort. Follow-up improvement measures will be implemented starting from FY19/20
Sandhill Plaza (Shanghai)	• Switch off selected lights at the basement car park from 12 p.m. to 6 a.m. to conserve energy • Conduct progressive preventive maintenance such as the cleaning of fan coil units in common corridors at Block 1 to improve energy efficiency
MON, TSI and HNB (Tokyo)	• Install energy-efficient LED lightings at the common areas. Expected annual energy savings of 70,000 kWh per year upon project completion

In addition to these initiatives, the Property Manager at Festival Walk will embark on a project during FY19/20 to install solar panels at a portion of the rooftop to generate renewable energy for use. The panels will be connected to CLP's grid in support of their Renewable Energy Feed-in Tariff Scheme. Upon completion within the year, the project is expected to harvest close to 200,000 kWh of clean electricity and reduce carbon emissions by approximately 102 tonnes each year.

LEVERAGING ON TECHNOLOGY FOR UTILITIES TRACKING

Electricity and water meter readings are uploaded onto the upgraded facility management system at Festival Walk through a mobile application.

The Manager and the Property Manager continuously find ways to harness technology to improve our day-to-day operations across the assets. Following the successful implementation at Gateway Plaza, the facility management systems ("FMS") at Festival Walk and Sandhill Plaza were upgraded in FY18/19 to minimise human error during the recording of electricity and water meter readings.

For FY19/20, Sandhill Plaza will be introducing a new initiative to link up all its electricity and water meters via a secure server based platform such that data from these meters will be uploaded to a centralised system for real-time monitoring and tracking.

Sustainability Report

ENVIRONMENT

Water

[GRI 102-48, 103-1, 103-2, 103-3, 303-1]

Our Commitment

- **Improve water efficiency by monitoring water consumption and increasing the use of recycled water**
- **Encourage employees and tenants to adopt water-saving practices in their day-to-day work**

Why this is Material to Us

Water supply is essential for the tenants, shoppers and visitors at MNACT's properties. In the face of rising water scarcity, responsible use and management of water is important.

Approach

For the properties, the Property Manager tracks and monitors water consumption for the common areas, checks the operational conditions of the water supply systems, and carries out timely proper maintenance to resolve any water leakage issues. Various initiatives and actions for water management were in place during FY18/19 as highlighted below:

Asset	FY18/19 Initiatives for Reducing Water Usage
Festival Walk (Hong Kong SAR)	• Continued to conserve water by using bleed-off water from the cooling towers for toilet flushing and reclaiming water from the sprinkler system back to the sprinkler water tank • Informative signs are displayed at the restrooms to encourage shoppers and tenants to limit unnecessary water usage
Gateway Plaza (Beijing)	• As part of toilet upgrading works which started in FY18/19, the restrooms were progressively retrofitted to include water sensors for taps and flushing systems. As of 31 March 2019, approximately 51% of the sensors have been installed
Sandhill Plaza (Shanghai)	• Commenced operation of the automatic water sprinkler system which taps mainly on collected rainwater, supplemented by freshwater, for landscape irrigation • Adjusted water flow rate at the toilets of Block 1, resulting in lower consumption

Performance

FY18/19 TARGET FOR WATER

Maintain or improve water intensity by up to 3% of FY17/18 baseline, assuming the same number of assets.

PERFORMANCE

√ Achieved

Water intensity for Festival Walk, Gateway Plaza and Sandhill Plaza in FY18/19 was reduced by 4.0% to 1.25 m^3/m^2, compared to FY17/18.

Total water consumption[1] in FY18/19 was approximately 279,300 m^3 for the assets including the four Japan Properties. Water consumption excluding the Japan Properties declined 4.0%, from about 278,800 m^3 in FY17/18 to about 267,700 m^3 in FY18/19. The decrease was attributed to the adoption of water-saving initiatives carried out across the assets.

Average water intensity[2] was 1.27 m^3/m^2 in FY18/19 for the seven properties in China, Hong Kong SAR and Japan. Excluding the Japan Properties, average water intensity in FY18/19 of 1.25 m^3/m^2 was 4.0% lower as compared to 1.30 m^3/m^2 in FY17/18. Total water recycled at Festival Walk and Sandhill Plaza increased 9.9% from approximately 9,100 m^3 in FY17/18 to approximately 10,000 m^3 in FY18/19 mainly due to more water recycled from the fresh water cooling towers at Festival Walk. Approximately 626 m^3 of rainwater was harvested at Sandhill Plaza to supplement the needs of the sprinkler system for landscape irrigation.

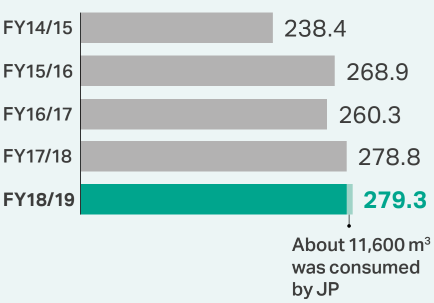
1 Water consumption and average water intensity data from FY14/15 to FY17/18 for Festival Walk have been restated to more accurately represent water consumption in the common areas. Water consumption and average water intensity figures from FY14/15 to FY17/18 as reported in MNACT's FY17/18 Annual Report, included water consumption data from certain shops and kiosks at Festival Walk.

2 Water intensity refers to water consumption over the total gross floor area. The gross floor area for Festival Walk in this report includes areas (such as for plant rooms) that are exempted in the gross floor area calculation under Hong Kong SAR's building regulations.

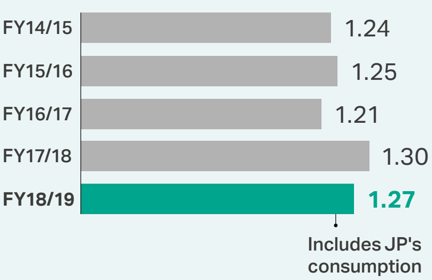
The automatic water sprinkler system harvests rainwater for landscape irrigation at Sandhill Plaza.

> **"Rainwater is harvested at Sandhill Plaza to supplement the needs of the sprinkler system for landscape irrigation."**

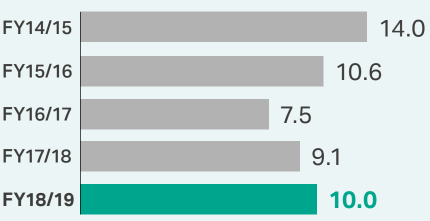
Annual Water Consumption
('000 m³)



Average Water Intensity
(m³/m²)



Water Recycled
('000 m³)



To improve water intensity in the forthcoming year, the following key initiatives are in the pipeline:

Asset	FY19/20 Initiatives for Reducing Water Usage
Festival Walk (Hong Kong SAR)	• Continue to use water efficient taps that have been certified under the Hong Kong SAR Government's Voluntary Water Efficiency Labelling Scheme ("WELS") for the toilet upgrading works at the office block
Gateway Plaza (Beijing)	• Explore using a water sprinkler system for landscape irrigation to improve efficiency • Explore adding water sensors at other essential areas such as the lift pits to serve as an advance warning on possible leakages • Continue installing sensors at the taps and flushing systems during toilet refurbishment works which commenced in FY18/19
Sandhill Plaza (Shanghai)	• Explore using recycled water for the cleaning of car park basement and sewage tanks • Assess areas for installing more sensors to detect water leakages • Install water sensors for the taps and flushing systems during toilet refurbishment at Block 8, one of the low-rise blocks

TARGET FOR FY19/20

Maintain or improve water intensity by up to 1% of FY18/19 baseline, assuming the same number of assets.

Sustainability Report

ENVIRONMENT

Waste Management

[GRI 102-48]

While waste is not one of the material factors for MNACT, efforts are focused on driving waste reduction and raising awareness on recycling among our shoppers and tenants given the limited space for landfills, especially in Hong Kong SAR.

Approach

The Manager and the Property Manager work closely with our tenants and other organisations through various initiatives and campaigns. At our properties, bins are provided at most common areas. Waste generated is then collected, sorted and sent for recycling. Recyclable materials include paper, cardboard and aluminium cans. Tenants are also encouraged to reuse paper or to minimise paper consumption by reducing printing or printing on both sides of paper.

Festival Walk has a comprehensive waste management programme to collect, segregate and recycle more than seven types of waste produced by its shoppers and tenants. During FY18/19, Festival Walk continued to work with tenants in support of the Food Waste Collection Programme organised by the Environmental Protection Department ("EPD"). Thus far, 21 F&B tenants at the mall participated in the food waste-to-renewable energy programme and approximately 89.0 tonnes of food waste was sent in FY18/19 to the biodegradable waste treatment plant managed by EPD.

Performance

Total waste collected for the assets including the four Japan Properties in FY18/19 was 6,771 tonnes. Excluding the Japan Properties, waste collected[1] was 26.0% lower than FY17/18. At Festival Walk, the change in tenant mix and activities resulted in less waste generated in FY18/19 compared to FY17/18. There were also fewer incoming and outgoing tenants at Sandhill Plaza, resulting in less construction waste in FY18/19.

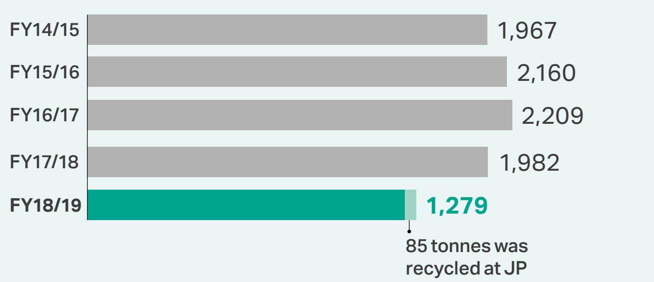
Waste from Festival Walk, Gateway Plaza and Sandhill Plaza sent for recycling was 39.8% lower from 1,982 tonnes in FY17/18 to 1,193 tonnes in FY18/19. The decrease was mainly due to the ban of certain types of plastic waste which could be sent to China for recycling. The Property Manager at Festival Walk is exploring options to cut down on plastic waste. One initiative implemented during the year was the use of oxo-biodegradable plastic cutlery, which conforms to the recycling material standard, at the food court.

Waste Collected

(tonnes)

Waste Recycled

(tonnes)



Indoor Air Quality

Indoor air quality is important for the health and comfort of our tenants, visitors and shoppers. The Manager and the Property Manager are committed to maintaining good indoor air quality ("IAQ") within our properties.

Approach

The Property Manager at Festival Walk monitors the IAQ bi-weekly by measuring the temperature and carbon dioxide levels in various locations within the building. Moreover, periodic and condition-based maintenance are carried out to improve the performance of ventilation systems and air-conditioning units.

Both Gateway Plaza and Sandhill Plaza comply with China's national IAQ standard for PM10 and have processes in place to monitor PM10 levels. At Gateway Plaza, G4 pre-filters and F7 main filters are used to reduce air particulate concentration to acceptable PM2.5 levels. For Sandhill Plaza, the Property Manager will embark on a two-year project starting from FY19/20 to further improve air ventilation at Block 1. One of the initiatives in FY19/20 is to enhance part of the roof top façade to allow for more efficient air circulation.

The properties in Japan abide by the national requirement set by the Ministry of Health, Labour and Welfare of Japan. Every two months, IAQ at each property is assessed by measuring carbon dioxide, humidity and temperature levels. The air-conditioning filters are also cleaned and replaced once or twice a year.

1 Due to a computation error, the waste collected for FY17/18 of 9,252 tonnes, as presented in MNACT's Annual Report for FY17/18, should have been 8,963 tonnes; and the waste recycled for FY17/18 of 2,271 tonnes, as presented in MNACT's Annual Report for FY17/18, should have been 1,982 tonnes.

SPOTLIGHT ON FESTIVAL WALK'S ENVIRONMENTAL PRACTICES

Energy

1 Plans underway to install solar panels in FY19/20.

2 Installation of energy-saving LED lights at various locations.

3 Replaced neon lights with LED lights for outdoor building logos.

4 Average indoor temperature maintained at 24°C to 26°C during summer from June to September.

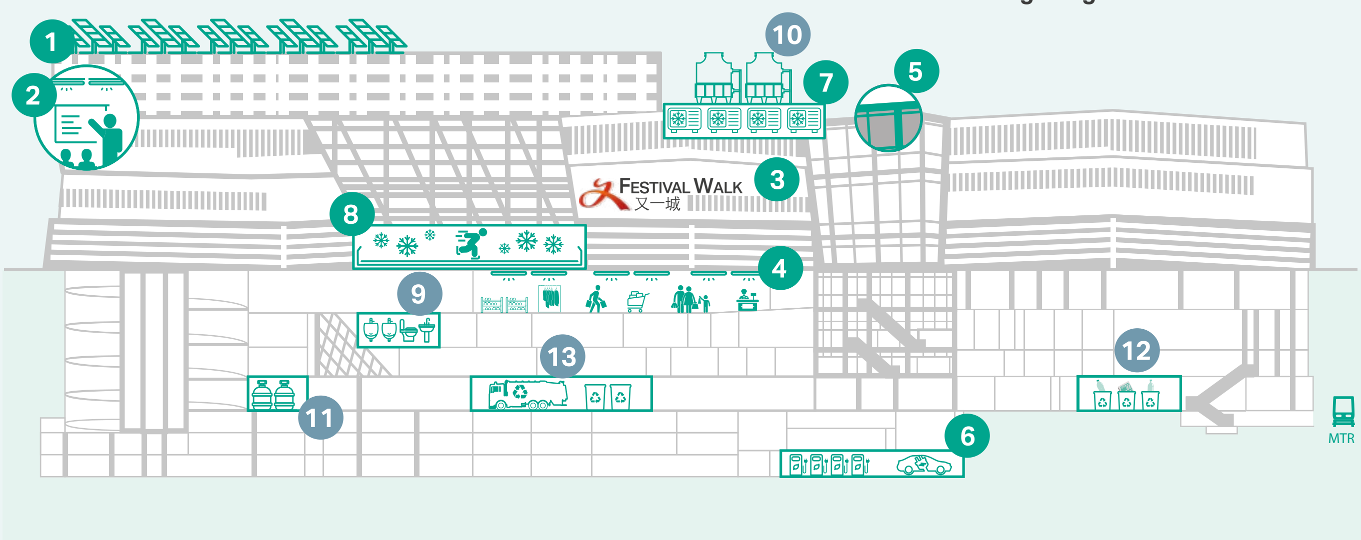
5 Layer of solar film applied to glass skylight to minimise direct sunlight and reduce cooling demand for indoor spaces.

6 Installed 32 electric vehicle chargers at the car park.

7 Overhaul of chillers and cooling towers to prolong their life spans and improve energy efficiency.

8 Optimise usage of electric heaters within air-conditioning units at 'Glacier'.

Achieved Final Platinum Rating under the BEAM Plus Existing Buildings Version 1.2, the highest rating for green buildings in Hong Kong SAR.



Water & Waste

9 Toilets fitted with water-efficient taps.

10 Bleed-off water from cooling towers used for flushing.

11 Reclamation of water from the sprinkler system back to the sprinkler water tank.

12 Segregates and collects waste for proper disposal or recycling.

13 Food waste sent to the biodegradable waste treatment plant to generate renewable electricity.

Sustainability Report

SOCIAL

Health and Safety

[GRI 103-1, 103-2, 103-3, 403-2, 416-2]

Our Commitment

- **Provide a safe and healthy environment for employees, tenants, third-party service providers ("TPSPs") and visitors/ shoppers to our premises**
- **Reduce the occurrence of occupational injuries through the adoption of best practices**

Scope

Safety performance in this report pertains only to employees from the Manager and the Property Manager. It does not include the employees from MIJ and Mapletree Management Services Japan Kabushiki Kaisha ("MMSJ") who are managing MNACT's Japan Properties as they are directly employed by the Sponsor.

Why this is Material to Us

Health and safety is regarded as an integral part of MNACT's business. The Manager and the Property Manager aim to provide a conducive and safe environment for our employees, tenants, shoppers and contractors by addressing and mitigating health and safety risks.

Approach

Safety Culture & Mindset

Employees are guided by the health and safety policy, detailed in the Employee Handbook, to comply with safe work practices and encourage others to work in a safe and healthy manner. There are standard operating procedures in place to ensure readiness in responding to emergencies. In case of any accidents, the employees follow a protocol to report, allow for timely investigation and execute preventive and corrective measures.

Competence & Training

Providing employees with relevant health and safety competencies ensures that they are well-equipped to support safe operations. During the year, external training workshops were organised to equip frontline employees at Festival Walk with accredited and/or refresher training in Automated External Defibrillators ("AED"), cardiopulmonary resuscitation, safety training, basic firefighting and first aid. As of 31 March 2019, 22 employees have been trained at Festival Walk.

Safety Monitoring

At our properties, renewals of required certificates and permits or inspections for fire safety, lifts and escalators are regularly reported and monitored. Internal safety assessments such as lift maintenance are conducted based on the requirements of the relevant authorities in the respective countries. Measures are taken to ensure that floors are cleaned and kept dry on rainy days. In the event of heavy rain, anti-slip floor mats and umbrella bag dispensers are placed at the entrances; cleaners are deployed to the entrances to clear water on the floor.

Security and Emergency Preparedness

Security of our buildings is also crucial to MNACT's business. As such, the Manager and the Property Manager have invested in upgrading our security systems (with equipment such as access barriers, controlled card access and/or closed-circuit television) and improving physical security in our buildings.

Elements of MNACT's Health & Safety Framework

- Competence & Training
- Safety Monitoring
- Safety Culture & Mindset Among Employees
- Security & Emergency Preparedness
- Involvement of Partners & Community

Regular evacuation drills are held at least once a year at each property to familiarise both employees and tenants on the emergency response procedures. At Gateway Plaza and Sandhill Plaza, fire or evacuation drills are conducted jointly with the local fire departments and government agencies of the respective cities. To further test the effectiveness of established business continuity plans, a bomb threat drill, chemical spill drill, flood drill and water drill were held at Festival Walk during the year.

Involvement of Partners and the Community

Health and safety practices are strictly required to be carried out during all fitting-out, maintenance and enhancement works. Tenants receive instruction manuals which include safety rules for fit-outs and business operations. For our TPSPs, requirements on health and safety standards are clearly laid out prior to their engagement.

Recognition

Testament to its efforts in upholding high safety and security standards, Festival Walk was recognised with the prestigious '*Five Star Managed Property*' award for both mall and office for the first time, in addition to the '*Outstanding Managed Public Car Park*' award for the ninth consecutive year by Kowloon West Regional Crime Prevention Office in FY18/19.

Performance

In FY18/19, the Manager and the Property Manager maintained its record of zero incidents resulting in permanent disability and fatality for the employees. In addition, the Manager and the Property Manager are not aware of non-compliance with health and safety regulations across Festival Walk, Gateway Plaza and Sandhill Plaza within the reporting period. There were also zero lost-time injuries and zero lost days incurred by the employees during FY18/19. These numbers exclude those lost days incurred by the employee of the Property Manager at Festival Walk as a result of the extended recovery period associated to the back injury which occurred in FY17/18.

RAISING THE WORKPLACE SAFETY BAR AT FESTIVAL WALK

The lifting equipment helps to alleviate the manual lifting of heavy flower pots at Festival Walk.

As part of its management approach to prevent workplace accidents from recurring, the Property Manager of Festival Walk continued re-training all operation employees on manual handling especially on back pain prevention. 66 employees have been trained so far as of end March 2019. Concurrently, the Property Manager also took proactive steps to evaluate all high-risk lifting tasks during FY18/19 to assess whether a change in process or the use of lifting machinery was required. By applying the National Institute for Occupational Safety and Health[1] ("NIOSH") lifting guidelines, the Property Manager ascertained the lifting of artificial plant pots at Festival Walk to be of a higher risk and purchased a lifting equipment to alleviate manual handling.

To further address safety risks at Festival Walk, a safety management committee was set up in FY18/19. Comprising members from Technical Services, Operations, Marketing & Promotions and Leasing departments, the committee will meet periodically to monitor and evaluate safety issues and concerns during day-to-day operations and over the course of managing various projects and marketing & promotion events. The key focus areas outlined for FY19/20 include manual handling of office equipment and water dispenser canisters as well as the daily operations of the contractors. Where relevant, the committee will also ascertain training needs and recommend suitable courses to build up technical competencies among the employees.

FY18/19 TARGET AND PERFORMANCE

√ Achieved

Maintained zero incidents resulting in employee permanent disability (leading to loss of personal earning capacity) or fatality.

TARGET FOR FY19/20

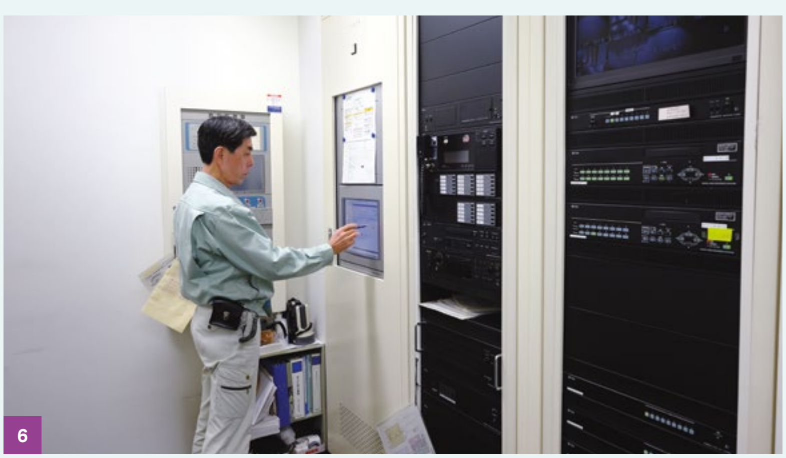
Zero incidents resulting in employee permanent disability or fatality.

1 The National Institute for Occupational Safety and Health is the United States Federal Agency responsible for conducting research and making recommendations for the prevention of work-related injury and illness.

Sustainability Report

SOCIAL

SAFETY IN ACTION AT MNACT'S PROPERTIES



1. Hands-on training on the proper usage of fire extinguishers at Sandhill Plaza's annual fire drill.
2. Briefing prior to the regular safety inspection at Sandhill Plaza.
3. Upholding safety practices is one of our key priorities at Festival Walk.
4. CCTV system in operations at Gateway Plaza.
5. Operations team at Festival Walk was recognised for their high security and safety standards at the Kowloon West Best Security Services Awards Presentation Ceremony.
6. At the control room of MON, where operations are closely monitored to ensure safety of our tenant and visitors.

Employment and Talent Retention
[GRI 102-7, 102-8, 103-1, 103-2, 103-3, 401-1, 404-2, 404-3]

Our Commitment
- **Provide a positive work environment for employees with equal opportunities, fair compensation and benefits, and continuous development opportunities**

Scope
The data in this section refers only to employees of the Manager and the Property Manager. The employees from MIJ and MMSJ are under the Sponsor's headcount and is therefore not included in the employee data presented in this section. The employee data also does not include third party service providers engaged to perform certain property management services.

Why this is Material to Us
People serve as the foundation for the continuous growth of MNACT. We are committed to foster an inclusive environment that values diversity, recognises and rewards talent, empowers employees and prioritises employees' well-being.

Approach
The Manager and the Property Manager are guided by the same set of strategies, policies and initiatives as the Mapletree Group. The Mapletree Group's human resource policies are grounded on equal opportunities and fair employment practices, and ensure compliance with local labour laws of the respective countries that our assets operate in. We also adopt the Mapletree Group's Code of Conduct to ensure that the work environment is pleasant for all. Our employees are guided by an Employee Handbook which details information on the work environment, job responsibilities, benefits, and policies to help them in their daily work. All employees receive competitive remuneration packages with a variety of benefits, including medical and insurance benefits, flexible benefits, and a self-development scheme.

Talent Development
To help build a workforce equipped with competencies and skill sets to excel, the Manager leverages on Mapletree Group's learning & development programme to identify and train diverse talent at all levels. All new hires are required to undergo an orientation programme to help them assimilate to the Mapletree Group's operations, strategy and business model. Talent acquisition and development programmes such as the *Mapletree Associate Programme, Mapletree Executive Programme, Mapletree Internship Programme*, and the *Leadership & People Management Excellence Programme* develop diverse talent at all levels for for the Mapletree Group, as part of the regular succession planning process. Since inception, these programmes have trained 45 employees from the Manager and the Property Manager as of 31 March 2019.

Employees are also provided with continuous learning and development opportunities. Courses offered during the year cover functional and technical areas including those specific to human resource, workplace safety and health, the real estate sector, sustainability, relevant technical and finance as well as those pertaining to compliance with rules and regulations. The Manager also monitors compliance with regulations administered by the Monetary Authority of Singapore ("MAS") mandating minimum Continuing Professional Development ("CPD") training hours as part of the requirements for the representatives of the Capital Markets Services ("CMS") license holders.

Mapletree Learning & Development Programme

- New Hire Excellence
- Functional Excellence
- Personal Excellence
- Leadership & People Management Excellence

Sustainability Report
SOCIAL

With the growing threat of cyber attacks and importance of information security, all employees took part in an online course rolled out during the year to be equipped with enough information to identify phishing emails.

A performance appraisal system is in place for all employees, including those of the Manager and the Property Manager. On an annual basis, the system aligns evaluation practices across different countries, effectively tracks key performance indicators and records employees' personal achievement and individual development. All employees are assessed against their core competencies framework and given feedback on their performance based on targets in four key areas: domain knowledge, business networks and innovation, collaboration and communications, and operational excellence.

Employee Engagement

The Mapletree Group values employees' feedback and their perceptions on different aspects of the work environment. The Employee Engagement Survey ("EES"), that was conducted in FY17/18 and which drew a participation rate of 96% from employees of the Manager and the Property Manager, provided valuable insights into key issues affecting our employees. In response to the EES results to improve employee communications and engagement, the Manager conducted employee town hall sessions in Beijing, Hong Kong SAR and Shanghai during FY18/19, involving 85 of the employees from the Manager and the Property Manager. Presented by senior management from the Manager, the sessions provided updates on recent corporate milestones, financial and operational performance, and sustainability development as well as allowed management to address any feedback and concerns. In addition to the town hall sessions, the Manager is in the process of streamlining certain claim processes to cut down on paperwork, in response to the survey results.

Presentation by Ms. Cindy Chow, CEO of the Manager, at the employee town hall session held at Festival Walk.

Employee Well-being

Employee wellness remains one of the Mapletree Group's priorities as we strive to create a happy and engaged workforce. In FY18/19, the Mapletree Group launched a new wellness programme to promote healthy living among employees. Mass workout sessions, wellness talks, workshops and team challenges were held in Singapore during the year. To encourage greater participation, a mobile application was launched to build a virtual community for like-minded employees to participate in group wellness activities and be updated with useful health information.

Our employees based outside of Singapore are also encouraged to participate in activities to promote well-being and team bonding. During the year, employees at Festival Walk participated in recreational mass walks while external health instructors conducted regular mass exercises for employees at our offices in Beijing and Shanghai. These were in addition to other engagement events such as the Annual Spring Dinner and festive celebrations involving employees.

Employees from Shanghai participating in a workout session organised by the Sponsor.

Festival Walk's employees enjoying a game event held during the Annual Spring Dinner in 2019.

Performance

FY18/19 TARGET AND PERFORMANCE

√ Achieved

- Continued to commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunity to all potential candidates.
- Maintained a diverse and relevant learning and professional development programme.

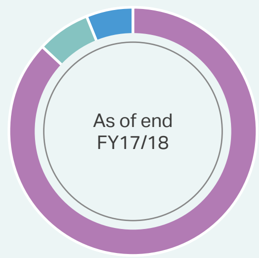
At the end of FY18/19, the total headcount[1] of the Manager and the Property Manager was 250 (FY17/18: 258). The profiles of our employee diversity remained stable as of end FY18/19 as compared to a year ago. The average new hire rate decreased slightly from 2.0% during FY17/18 to 1.5% during FY18/19 and the average turnover rate also decreased from 2.5% during FY17/18 to 1.6% during FY18/19.

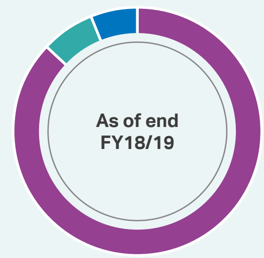
TARGET FOR FY19/20

- Continue to commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunity to all potential candidates.
- Maintain a diverse and relevant learning and professional development programme.

Employees of the Manager presenting a Chinese painting to Mr. Edmund Cheng (front row, third from left), the Sponsor's Chairman, and Mr. Hiew Yoon Khong (front row, second from right), the Sponsor's Group CEO and the Manager's Non-Executive Director, during the Chinese New Year celebration held by the Sponsor.

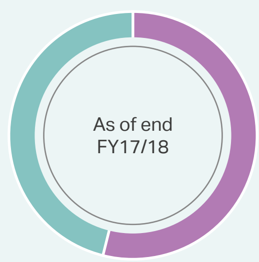
Employee Breakdown by Location

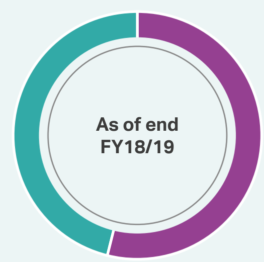




	As of end FY17/18	As of end FY18/19
Hong Kong SAR	87%	86%
China	7%	8%
Singapore	6%	6%

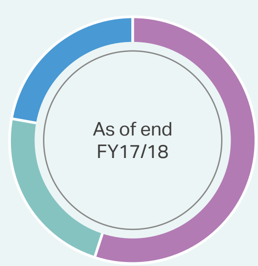
Gender Diversity in MNACT

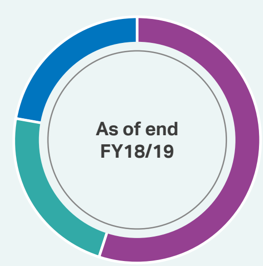




	As of end FY17/18	As of end FY18/19
Male	54%	55%
Female	46%	45%

Age Diversity in MNACT





	As of end FY17/18	As of end FY18/19
30-50 years old	55%	56%
>50 years old	23%	24%
<30 years old	22%	20%

1 Headcount does not include third party service provides engaged to perform certain property management services.

Sustainability Report

SOCIAL

Local Communities

[GRI 102-13, 103-1, 103-2, 103-3, 413-1]

Our Commitment

- **Contribute to the communities in which we operate, especially in the four key pillars of education, the arts, healthcare and the environment**
- **Support initiatives and projects that have a positive impact on local communities**

Scope

Information in this report pertains to all the activities, where applicable, from the Manager, the Property Manager, MIJ and MMSJ.

Why this is Material to Us

The Manager and the Property Manager share Mapletree Group's vision to empower individuals and enrich the communities. We recognise that the long-term success of MNACT is closely aligned with the health and prosperity of the communities we operate in. We also strive to build and maintain positive relationships with local communities by supporting programmes and causes that address their needs.

Approach

Underpinning our efforts is Mapletree Group's Shaping and Sharing Programme, a Corporate Social Responsibility ("CSR") framework with a focus on four key CSR pillars – education, the arts, environment and healthcare to empower individuals and enrich the communities.

Integrating with Communities

Providing good accessibility to the communities, the properties in MNACT's portfolio are located near local transportation hubs, with convenient access to metro stations, bus stops, streets and sidewalks. Sitting above the Kowloon Tong MTR station and near two local universities, Festival Walk is a retail destination and hotspot for lifestyle offerings and family-friendly events, helping to create a vibrant community within the Kowloon Tong area. Over the years, the property has continued to enhance its facilities by fitting its disabled toilets with improved lighting fixtures, handrails, and emergency call buttons as well as providing barrier-free access within the mall and office for wheelchair users.

Extra care and precaution is also taken as part of the routine operation & maintenance practices at the properties to minimise the impact of their operations on the surrounding community. At HNB, the Property Manager exercises additional care to engage one of its tenants – a child-care centre – to explain any upcoming maintenance or enhancement works, as well as address any potential concerns before commencing these works. As part of Festival Walk's BEAM Plus Platinum certification awarded last financial year, external consultants carried out additional surveys to assess the impact on the environment due to the consumption of water and energy, waste disposal, as well as air and noise pollution control as a result of the operations at Festival Walk.

Mr. Paul Ma, Chairman of the Manager, was the Guest of Honour at the '*Mapletree Education Awards*' presentation ceremony, which was held in recognition of the academic achievements of the Mapletree Group's and the Manager's Singapore-based employees' children.

Supporting Education

As part of the Sponsor's efforts in supporting education, children of Singapore-based employees of the Manager received '*Mapletree Education Awards*' on 22 March 2019 in recognition of their outstanding academic achievements. Students from Hong Kong SAR, who are pursuing education in Canada, the United Kingdom, and the United States of America, were also given complimentary Mapletree fleece jackets as part of the "Home & Away with Mapletree" CSR event which was held at Festival Walk during the financial year.

Employee Volunteerism and Venue Sponsorship

The Manager and the Property Manager support social causes in line with the Mapletree Group's key CSR pillars. During the year, we collaborated with non-profit and government organisations to promote healthy living, environmental sustainability and community causes through activities held at Festival Walk. A total of 8 venue sponsorships was extended in FY18/19 for various events including the '*Orbis Eyecare Agent*' Exhibition by Orbis International, the '*Green Building Week Exhibition*' by the Hong Kong Green Building Council, '*Red Cross Blood Donation*' organised by the Hong Kong Red Cross Blood Transfusion Service, and Hong Kong Cancer Fund's '*Pink Revolution*' kick-off event and press conference.

In line with the Mapletree Group's efforts to encourage active volunteerism, employees of the Manager and the Property Manager participated in 8 CSR activities in Singapore, Hong Kong SAR, Beijing and Shanghai. Employees at Festival Walk helped raise funds for the needy at St. James' Settlement's '*Valentine's Rose Charity Sale*' and the Christmas charity event organised by the Charles K. Kao Foundation. Through the venue sponsorships and CSR events, approximately HKD647,000 (S$113,000) was raised. Coaches at Festival Walk's ice rink 'Glacier' also provided free skating sessions for the beneficiaries from the Hong Kong Sports Association for Persons with Intellectual Disability ("HKSAPID").

Our employees in Beijing also volunteered their time at the Shepherd's Field Children's Village in Tianjin and treated the children with food items and other basic necessities. Some of our colleagues in Shanghai sponsored gifts and spread Christmas cheer to the beneficiaries of the Children's Health Hospital in Shanghai in 2018. In March 2019, they paid a second visit to spruce up the hospital's vegetable and fruit garden.

Spotlight On:

Joy in Every Bundle

To encourage staff volunteerism, the Sponsor provides seed funding of S$5,000 for staff-led CSR initiatives. The CSR activity is selected based on definable social outcomes, long-term engagement and staff volunteerism opportunities.

The employees of the Manager in Singapore received seed funding of S$5,000 during FY18/19 for their participation in the "*Joy in Every Bundle*" programme spearheaded by The Food Bank Singapore. Over two events held in August 2018 and March 2019, employees packed and distributed food bundles, benefitting 250 beneficiaries staying in communities near the Manager's office.

Community and Tenant Engagement

The Manager and the Property Manager foster tenant relations through various channels. To better understand the needs of tenants, regular networking sessions are organised to provide tenants a platform to provide feedback and to raise any concerns. Engagement events also create opportunities for connecting and strengthening relationships. At Festival Walk, Gateway Plaza and Sandhill Plaza, the Property Manager organised festive activities for tenants in celebration of Christmas and Chinese New Year. To mark Festival Walk's 20th anniversary, the Property Manager invited tenants and business partners to a gala dinner in appreciation of their longstanding support and business partners.

Tenant surveys are also conducted at most of our buildings to gather feedback regarding our property management services, building security and building maintenance. At Festival Walk, the Property Manager also collects feedback from shoppers to evaluate their perceptions about the mall's customer service standard, amenities, trade mix, promotion activities and preferred media/communication channels. There are also dedicated public feedback channels, including electronic feedback forms, a customer service hotline, social media channels, as well as information counters in Festival Walk where the public may use to provide feedback or share their concerns. Through the feedback, we then analyse any potential gaps and areas of improvement, and implement appropriate follow-up actions.

External Memberships

The Manager is a member of the REIT Association of Singapore ("REITAS"), which aims to promote Singapore's REIT industry, while Festival Walk is listed as a member of the Quality Tourism Services Association ("QTSA") under the Hong Kong Tourism Board, which promotes tourism in Hong Kong SAR.

PERFORMANCE AGAINST FY18/19 TARGET

√ Achieved

Staff of the Manager in Singapore, Hong Kong SAR and China participated in eight CSR events, more than the targeted number of six CSR events.

TARGET FOR FY19/20

Six CSR events participated by the Manager's staff from Singapore, Hong Kong SAR, Beijing and/or Shanghai.

Sustainability Report

SOCIAL

CSR EVENTS AND VENUE SPONSORSHIPS IN FY18/19

1

2

3

4

5

6

1. Festival Walk's employees & families helped raise funds for the needy at St. James' Settlement's '*Valentine's Rose Charity Sale*'.
2. Shanghai colleagues sprucing up the Children's Health Hospital's vegetable and fruit garden.
3. Gateway Plaza's staff volunteered at the Shepherd's Field Children's Village in Tianjin and treated the children with food items and other basic necessities.
4. Skating sessions for beneficiaries of HKSAPID were provided by the coaches from 'Glacier'.
5. Hong Kong Cancer Fund's '*Pink Revolution*' kick-off event.
6. At the '*Charles K. Kao Foundation Christmas Charity Sale 2018*' kick-off ceremony.

Sustainability Report

GOVERNANCE

Our Commitment

- **Maintain zero incidences of non-compliance with anti-corruption laws and socioeconomic regulations**

Scope

Information in this report pertains to all the activities, where applicable, from the Manager, the Property Manager, MIJ and MMSJ.

Why this is Material to Us

The Manager recognises that an effective corporate governance culture is critical to the long-term sustainability of MNACT. We are committed to maintaining good standards of corporate governance and business conduct, developed in line with Mapletree Group's policies, to safeguard our stakeholders' interests as well as preserve our brand image and stakeholders' trust.

Anti-corruption and Compliance with Laws and Regulation

[GRI 103-1, 103-2, 103-3, 205-3, 307-1, 417-3, 419-1]

Approach

Our Policies

The Mapletree Group takes a zero-tolerance stance towards any unethical behaviour, bribery and corruption. Measures designed to monitor, prevent, and react to irregular behaviour, fraud or actions that are contrary to our corporate values are in place. The Manager and the Property Manager strive to act in the best interests of MNACT while ensuring compliance with local laws and regulations. Our employees are subject to and are required to comply with the Mapletree Group's policies and procedures at all times. In addition, employees of the Property Manager are to monitor and report to the Manager any incidences of non-compliance of laws or regulations or any new or updated legal requirements pertaining to issues including environmental, safety, security and marketing communication. Requirements, laws and regulations applicable to the Manager include those set out in the listing manual of the SGX-ST, the Code on Collective Investment Schemes and the Capital Markets Services Licence for REIT Management issued by the MAS, and the Securities and Futures Act of Singapore. Appropriate disciplinary action, including termination, will be taken for an employee who is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment.

The Manager promotes responsible business behaviour by upholding the principles of integrity and adopting the Sponsor's policies and procedures including:

Group-level Governance Policies at Mapletree Group	
Annual Employee Declaration	Includes declaration of personal securities investments, private investments, bankruptcy, financial obligations and outside directorships
Anti-corruption Policy set out in the Employee Handbook	Prohibits bribery, acceptance or offer of lavish gifts or entertainment
Anti-Money Laundering Policy	Prevent money laundering and countering the financing of illegal activities
Dealing in units of the Sponsor's REITs	Please refer to page 91 of the Corporate Governance Report
Whistleblowing Policy	Please refer to page 88 of the Corporate Governance Report

In addition, the Mapletree Group has guidelines to address any potential conflicts of interest, as well as to avoid issues such as fraud and bribery.

Our operations are also guided by our enterprise risk management framework as well as a system of prudent and effective controls which enable the assessment and management of financial, operational and compliance risks. Please refer to the Risk Management section on pages 72 to 74. All incidents of misconduct and non-compliance are reported to the CEO of the business unit ("BU"), and the Group Chief Corporate Officer and Group General Counsel of the Sponsor for review and resolution.

For the Board of Directors, courses are available for them to receive further relevant training of their choice in connection with their duties as Board of Directors of the Manager. The Board of Directors are also updated on any material changes to relevant laws, regulations and accounting standards by way of briefings by professionals or by updates issued by the Manager.

More details on our corporate governance framework and policies can be found on pages 78 to 94 of the Annual Report.

During FY18/19, there was no significant breach of relevant laws and /or regulations and zero confirmed incidents of corruption.

TARGETS FOR FY19/20

Anti-Corruption
Maintain zero confirmed incidents of corruption.

Compliance with Laws and Regulations
Maintain compliance with all significant or material relevant laws and/or regulations.

GRI Content Index

[102-55]

	GRI Standards (2016)	Notes/Page Number(s)
	GENERAL DISCLOSURE	
	Organisational Profile	
102-1	Name of the organisation	Corporate Profile, Inside Front Cover
102-2	Activities, brands, products, and services	Corporate Profile, Inside Front Cover
102-3	Location of headquarters	Corporate Directory, Inside Front Cover
102-4	Location of operations	Corporate Profile, Inside Front Cover
102-5	Ownership and legal form	Corporate Profile, Inside Front Cover; Trust Structure, page 61
102-6	Markets served	Corporate Profile, Inside Front Cover
102-7	Scale of the organisation	Corporate Profile, Inside Front Cover; Employment and Talent Retention, page 113; Financial Statements, pages 121-192
102-8	Information on employees and other workers	Employment and Talent Retention, pages 111-113 Data was compiled from the Human Resource database, and excluded full-time and part-time employees on less than one-year contract. As the number of part-time employees is not significant to the operations as a whole, employee data was presented in aggregate, instead of being broken down by employment type. MNACT does not have a significant portion of its activities carried out by workers who are not employees. Certain property management functions are outsourced to third party service providers. MNACT did not have any significant variation in employment numbers.
102-9	Supply chain	Supply chain activities are minimal and not significant to MNACT's operations. Compliance with local government and legal requirements is required for appointed contractors and service providers. For engagements that are complex or entail high safety or financial risks, due diligence is carried out to ascertain their financial standing or track records.
102-10	Significant changes to organisation and its supply chain	Change of name of the REIT, Mapletree Greater China Commercial Trust ("MGCCT"), to Mapletree North Asia Commercial Trust ("MNACT"). Change of name of the Manager, Mapletree Greater China Commercial Trust Management Ltd., to Mapletree North Asia Commercial Trust Management Ltd. Change of name of the Property Manager, Mapletree Greater China Property Management Limited, to Mapletree North Asia Property Management Limited. The changes were effective from 25 May 2018.
102-11	Precautionary principle or approach	In general, the precautionary principle is embedded in the Manager's approach to sustainability.
102-12	External initiatives	Two external initiatives supported by Festival Walk are the "Energy Savings Charter" and "Charter on External Lightning". Energy, page 101.
102-13	Membership of associations	Local Communities, page 115
	Strategy	
102-14	Statement from senior decision-maker	Board Statement, page 95
	Ethics and Integrity	
102-16	Values, principles, standards, and norms of behaviour	Sustainability Approach, page 96; Corporate Profile, Inside Front Cover; Strategy, pages 12-13
	Governance	
102-18	Governance structure	Sustainability Governance, page 96
	Stakeholder Engagement	
102-40	List of stakeholder groups	Stakeholder Engagement, pages 98-99
102-41	Collective bargaining agreements	No collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, pages 98-99
102-43	Approach to stakeholder engagement	Stakeholder Engagement, pages 98-99
102-44	Key topics and concerns raised	Stakeholder Engagement, pages 98-99
	Reporting Practice	
102-45	Entities included in the consolidated financial statements	Financial Statements, pages 121-192
102-46	Defining report content and topic boundaries	About this Report, page 96; Materiality and the SDGs, page 97
102-47	List of material topics	Materiality and the SDGs, page 97
102-48	Restatements of information	Water, page 104; Waste Management, page 106
102-49	Changes in reporting	Please refer to GRI 102-10

	GRI Standards (2016)	Notes/Page Number(s)
	GENERAL DISCLOSURE	
102-50	Reporting period	About this Report, page 96
102-51	Date of most recent report	The Annual Report/Sustainability Report 2017/2018 was published in June 2018.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About this Report, page 96
102-54	Claims of reporting in accordance with GRI standards	Board Statement, page 95
102-55	GRI content index	GRI Content Index, pages 118-120
102-56	External assurance	About this Report, page 96
	Economic Performance	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Economic Performance, page 100; Financial Review and Capital Management, pages 16-25; Financial Statements, pages 121-192
103-2	The management approach and its components	Economic Performance, page 100; Financial Review and Capital Management, pages 16-25
103-3	Evaluation of the management approach	Economic Performance, page 100; Financial Review and Capital Management, pages 16-25
201-1	Direct economic value generated and distributed	Financial Highlights Pg 2-3; Financial Review and Capital Management, pages 16-25; Financial Statements, pages 121-192
	Anti-corruption	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Governance, page 117
103-2	The management approach and its components	Governance, page 117
103-3	Evaluation of the management approach	
205-3	Confirmed incidents of corruption and actions taken	
	Energy	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Energy, page 101
103-2	The management approach and its components	Energy, pages 101-103
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
	Water	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Water, page 104
103-2	The management approach and its components	Water, pages 104-105
103-3	Evaluation of the management approach	
303-1	Water withdrawal by source	
	Environmental Compliance	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Governance, page 117
103-2	The management approach and its components	Governance, page 117
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	
	Employment	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Employment and Talent Retention, page 111
103-2	The management approach and its components	Employment and Talent Retention, pages 111-113
103-3	Evaluation of the management approach	Given that our new hire/turnover rate is not materially different from industry average, the information on new hires and turnover by age/gender has not been disclosed.
401-1	New employee hires and employee turnover	

GRI Content Index

	GRI Standards (2016)	Notes/Page Number(s)
	MATERIAL TOPICS	
	Occupational Health and Safety	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Health and Safety, page 108
103-2	The management approach and its components	Health and Safety, pages 108-110 Occupational diseases incidents are not applicable to MNACT as our properties are commercial buildings. Health and safety performance data by region and gender and information on types of injury, and absentee rate were not disclosed by the organisation as they were not deemed to be significant.
103-3	Evaluation of the management approach	
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	
	Training and Education	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Employment and Talent Retention, page 111
103-2	The management approach and its components	Employment and Talent Retention, pages 111-113
103-3	Evaluation of the management approach	
404-2	Programmes for upgrading employee skills and transition assistance programmes	
404-3	Percentage of employees receiving regular performance of career development reviews	
	Local Communities	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Local Communities, page 114
103-2	The management approach and its components	Local Communities, pages 114-116
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programs	
	Customer Health and Safety	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Health and Safety, page 108
103-2	The management approach and its components	Health and Safety, pages 108-110
103-3	Evaluation of the management approach	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
	Marketing and Labelling	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Governance, page 117
103-2	The management approach and its components	Governance, page 117
103-3	Evaluation of the management approach	
417-3	Incidents of non-compliance concerning marketing communications	
	Socioeconomic Compliance	
103-1	Explanation of the material topic and its boundary	Materiality and the SDGs, page 97; Governance, page 117
103-2	The management approach and its components	Governance, page 117
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Contents

FINANCIALS & OTHERS

Report of the Trustee

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in MNACT. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes ("CCIS") (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Mapletree North Asia Commercial Trust Management Ltd. (formerly known as Mapletree Greater China Commercial 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 14 February 2013 (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 MNACT and the Group during the financial year covered by these financial statements, set out on pages 129 to 192, 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, 6 May 2019

Statement by the Manager

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

In the opinion of the Directors of Mapletree North Asia Commercial Trust Management Ltd., the accompanying financial statements of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (the "Group"), as set out on pages 129 to 192, comprising the Statements of Financial Position of MNACT and the Group, and Portfolio Statement of the Group as at 31 March 2019, the Statements of Profit and Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MNACT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MNACT and of the Group as at 31 March 2019, the portfolio holdings of the Group as at 31 March 2019, and the financial performance, amount distributable and movements in Unitholders' funds of MNACT and of the Group and the consolidated cash flows of the Group for the financial year then ended in accordance with the Singapore Financial Reporting Standards (International) and the applicable requirements of the Code on Collective Investment Schemes relating to financial reporting. At the date of this statement, there are reasonable grounds to believe that MNACT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
Mapletree North Asia Commercial Trust Management Ltd.

Cindy Chow Pei Pei
Director

Singapore, 6 May 2019

Independent Auditor's Report to the Unitholders of Mapletree North Asia Commercial Trust

(FORMERLY KNOWN AS MAPLETREE GREATER CHINA COMMERCIAL 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 and Portfolio Statement of Mapletree North Asia Commercial Trust (formerly known as Mapletree Greater China Commercial Trust) ("MNACT") and its subsidiaries (the "Group"), and the Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement and Statement of Movement in Unitholders' Funds of MNACT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the applicable requirements of the Code on Collective Investment Schemes relating to financial reporting, so as to present fairly, in all material respects, the consolidated financial position of the Group, the financial position of MNACT and the consolidated portfolio holdings of the Group as at 31 March 2019, the consolidated financial performance of the Group and the financial performance of MNACT, the consolidated amount distributable of the Group and the amount distributable of MNACT, the consolidated movements in Unitholders' funds of the Group and the movements in Unitholders' funds of MNACT, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MNACT and the Group comprise:
- the statements of profit and loss of MNACT and of the Group for the financial year ended 31 March 2019;
- the statements of comprehensive income of MNACT and of the Group for the financial year then ended;
- the statements of financial position of MNACT and of the Group as at 31 March 2019;
- the distribution statements of MNACT and of the Group for the financial year then ended;
- the statements of movements in Unitholders' funds of MNACT and of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the portfolio statement of the Group as at 31 March 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to Note 13 (Investment Properties) to the financial statements.* As at 31 March 2019, the carrying value of the Group's investment properties of S$7.6 billion accounted for 97% of the Group's total assets. The valuation of the investment properties is a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates, discount rates and adjusted price per square metre and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 13 to the accompanying financial statements.	We involved our internal specialists in our audit procedures. Our audit procedures included the following: • assessed the competency, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates, discount rates and adjusted price per square metre by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Independent Auditor's Report to the Unitholders of Mapletree North Asia Commercial Trust

(FORMERLY KNOWN AS MAPLETREE GREATER CHINA COMMERCIAL TRUST)
(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

Other Information

The Manager is responsible for the other information. The other information comprises the "Report of the Trustee", the "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 MNACT's Annual Report ("Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report to the Unitholders of Mapletree North Asia Commercial Trust

(FORMERLY KNOWN AS MAPLETREE GREATER CHINA COMMERCIAL 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 Alex Toh Wee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 6 May 2019

Statements of Profit and Loss

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		MNACT	
	Note	**2019 S$'000**	2018 S$'000	**2019 S$'000**	2018 S$'000
Gross revenue	3	**408,687**	355,030	**–**	–
Property operating expenses	4	**(79,657)**	(67,880)	**–**	–
Net property income		**329,030**	287,150	**–**	–
Other income					
Dividend income		**–**	–	**176,329**	170,262
Interest income		**1,898**	1,996	**353**	348
Other gains/(losses)					
Net foreign exchange gain/(loss)		**2,792**	5,317	**273**	(195)
Net change in fair value of investment properties	13	**465,152**	417,122	**–**	–
Net change in fair value of financial derivatives		**(604)**	522	**–**	–
Expenses					
Manager's management fees					
– Base fee		**(24,378)**	(21,092)	**(21,532)**	(21,092)
– Performance fee		**(1,560)**	(956)	**(1,560)**	(956)
Trustee's fee		**(737)**	(651)	**(737)**	(651)
Other trust expenses	5	**(1,495)**	(1,469)	**(210)**	(375)
Finance costs	6	**(74,264)**	(69,687)	**–**	–
Profit before income tax		**695,834**	618,252	**152,916**	147,341
Income tax expenses	7(a)	**(61,422)**	(43,911)	**(60)**	(59)
Profit for the financial year		**634,412**	574,341	**152,856**	147,282
Profit attributable to:					
Unitholders		**633,933**	574,341	**152,856**	147,282
Non-controlling interests*		**479**	–	**–**	–
		634,412	574,341	**152,856**	147,282
Earnings per unit (cents)					
– Basic and diluted	8	**20.291**	20.432	**4.893**	5.239

* Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		MNACT	
	Note	**2019 S$'000**	2018 S$'000	**2019 S$'000**	2018 S$'000
Profit for the financial year		**634,412**	574,341	**152,856**	147,282
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences					
– Gains/(losses)		**7,655**	(144,054)	**–**	–
– Reclassification		**(3,794)**	(3,168)	**–**	–
Cash flow hedges					
– Fair value changes, net of tax		**(27,456)**	32,200	**(913)**	1,816
– Reclassification		**5,992**	(32,149)	**309**	(1,293)
Other comprehensive (loss)/income, net of tax		**(17,603)**	(147,171)	**(604)**	523
Total comprehensive income		**616,809**	427,170	**152,252**	147,805
Total comprehensive income attributable to:					
Unitholders		**616,438**	427,170	**152,252**	147,805
Non-controlling interests*		**371**	–	**–**	–
		616,809	427,170	**152,252**	147,805

* Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

Statements of Financial Position

AS AT 31 MARCH 2019

		Group			MNACT		
		31 March		1 April	31 March		1 April
	Note	**2019 S$'000**	2018 S$'000	2017 S$'000	**2019 S$'000**	2018 S$'000	2017 S$'000
ASSETS							
Current assets							
Cash and bank balances	9	**178,833**	177,981	234,857	**62,662**	90,867	96,844
Trade and other receivables	10	**9,322**	9,419	55,212	**6,309**	5,567	5,036
Other current assets	11	**2,095**	554	1,163	**–**	–	–
Inventories		**672**	743	811	**–**	–	–
Derivative financial instruments	12	**3,407**	1,489	508	**982**	1,093	508
		194,329	190,186	292,551	**69,953**	97,527	102,388
Non-current assets							
Derivative financial instruments	12	**13,336**	38,078	8,319	**–**	–	–
Investment properties	13	**7,609,543**	6,292,007	6,226,345	**–**	–	–
Plant and equipment	14	**3,158**	2,478	1,705	**–**	–	–
Investments in subsidiaries	15	**–**	–	–	**2,582,649**	2,321,459	2,343,447
		7,626,037	6,332,563	6,236,369	**2,582,649**	2,321,459	2,343,447
Total assets		**7,820,366**	6,522,749	6,528,920	**2,652,602**	2,418,986	2,445,835
LIABILITIES							
Current liabilities							
Trade and other payables	16	**93,181**	87,303	148,593	**8,995**	8,451	8,442
Borrowings	17	**287,582**	83,801	163,143	**–**	–	–
Current income tax liabilities	7(b)	**31,216**	29,930	44,142	**119**	82	70
Derivative financial instruments	12	**1,226**	244	181	**737**	244	181
		413,205	201,278	356,059	**9,851**	8,777	8,693
Non-current liabilities							
Trade and other payables	16	**99,687**	60,410	58,558	**–**	–	–
Borrowings	17	**2,580,322**	2,277,284	2,393,013	**–**	–	–
Derivative financial instruments	12	**17,108**	2,696	13,777	**–**	–	–
Deferred tax liabilities	18	**119,889**	92,329	71,193	**–**	–	–
		2,817,006	2,432,719	2,536,541	**–**	–	–
Total liabilities		**3,230,211**	2,633,997	2,892,600	**9,851**	8,777	8,693
NET ASSETS		**4,590,155**	3,888,752	3,636,320	**2,642,751**	2,410,209	2,437,142
Represented by:							
Unitholders' funds		**4,525,596**	3,812,613	3,413,993	**2,642,505**	2,409,359	2,436,815
General reserve	19	**2,461**	1,221	238	**–**	–	–
Hedging reserve	20	**(5,354)**	16,004	15,953	**246**	850	327
Foreign currency translation reserve	21	**62,777**	58,914	206,136	**–**	–	–
		4,585,480	3,888,752	3,636,320	**2,642,751**	2,410,209	2,437,142
Non-controlling interests*		**4,675**	–	–	**–**	–	–
		4,590,155	3,888,752	3,636,320	**2,642,751**	2,410,209	2,437,142
UNITS IN ISSUE ('000)	22	**3,173,892**	2,826,268	2,795,382	**3,173,892**	2,826,268	2,795,382
NET ASSET VALUE PER UNIT (S$)		**1.445**	1.376	1.301	**0.833**	0.853	0.872

* Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

Distribution Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Group		MNACT	
	2019	2018	**2019**	2018
	S$'000	S$'000	**S$'000**	S$'000
Profit for the financial year attributable to Unitholders	**633,933**	574,341	**152,856**	147,282
Adjustment for net effect of non-tax (chargeable)/ deductible items and other adjustments (Note A)	**(393,268)**	(363,419)	**87,809**	63,640
Amount available for distribution	**240,665**	210,922	**240,665**	210,922
Amount available for distribution to Unitholders at beginning of the financial year	**106,533**	104,351	**106,533**	104,351
	347,198	315,273	**347,198**	315,273
Distribution to Unitholders:				
Distribution of 3.731 cents per unit for the period from 1 October 2016 to 31 March 2017	**–**	(104,296)	**–**	(104,296)
Distribution of 3.714 cents per unit for the period from 1 April 2017 to 30 September 2017	**–**	(104,444)	**–**	(104,444)
Distribution of 4.531 cents per unit for the period from 1 October 2017 to 7 May 2018	**(128,058)**	–	**(128,058)**	–
Distribution of 1.117 cents per unit for the period from 8 May 2018 to 30 June 2018	**(35,141)**	–	**(35,141)**	–
Distribution of 1.926 cents per unit for the period from 1 July 2018 to 30 September 2018	**(60,841)**	–	**(60,841)**	–
Distribution of 1.927 cents per unit for the period from 1 October 2018 to 31 December 2018	**(61,017)**	–	**(61,017)**	–
Total Unitholders' distribution (including capital return) (Note B)	**(285,057)**	(208,740)	**(285,057)**	(208,740)
Amount available for distribution to Unitholders at end of the financial year	**62,141**	106,533	**62,141**	106,533

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

	Group 2019	Group 2018	MNACT 2019	MNACT 2018
Major non–tax deductible/(chargeable) items:				
– Trustee's fee	**737**	651	**737**	651
– Financing fees	**3,957**	3,341	**–**	–
– Net change in fair value of investment properties net of deferred tax impact	**(443,547)**	(407,338)	**–**	–
– Manager's base fee paid/payable in units	**21,532**	21,092	**21,532**	21,092
– Manager's performance fee paid/payable in units	**1,560**	956	**1,560**	956
– Property Manager's management fees paid/payable in units	**12,659**	12,421	**–**	–
– Net change in fair value of financial derivatives	**604**	(522)	**–**	–
– Net foreign exchange gain on capital item	**(3,794)**	(3,168)	**–**	–
Net overseas income distributed back to MNACT in the form of capital returns	**–**	–	**26,570**	24,656
Net overseas income not distributed to MNACT	**–**	–	**37,146**	16,083
Other non-tax deductible items and other adjustments	**13,024**	9,148	**264**	202
	(393,268)	(363,419)	**87,809**	63,640

Note B:
Total Unitholders' distribution:

	Group 2019	Group 2018	MNACT 2019	MNACT 2018
– From operations	**214,768**	167,727	**214,768**	167,727
– From Unitholders' contribution	**70,289**	41,013	**70,289**	41,013
	285,057	208,740	**285,057**	208,740

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

Statements of Movements in Unitholders' Funds

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		MNACT	
	Note	**2019 S$'000**	2018 S$'000	**2019 S$'000**	2018 S$'000
Operations					
Beginning of the financial year		**1,373,670**	968,039	**(29,584)**	(9,139)
Profit for the financial year attributable to Unitholders		**633,933**	574,341	**152,856**	147,282
Distributions to Unitholders		**(214,768)**	(167,727)	**(214,768)**	(167,727)
Transfer to general reserve		**(1,240)**	(983)	**–**	–
End of the financial year		**1,791,595**	1,373,670	**(91,496)**	(29,584)
Unitholders' contribution					
Beginning of the financial year		**2,438,943**	2,445,954	**2,438,943**	2,445,954
Management fees paid in units		**35,060**	34,002	**35,060**	34,002
Issuance of units arising from private placement		**330,298**	–	**330,298**	–
Acquisition fees paid in units		**5,689**	–	**5,689**	–
Issue expenses		**(5,700)**	–	**(5,700)**	–
Distributions to Unitholders		**(70,289)**	(41,013)	**(70,289)**	(41,013)
End of the financial year		**2,734,001**	2,438,943	**2,734,001**	2,438,943
Unitholders' funds at end of the financial year		**4,525,596**	3,812,613	**2,642,505**	2,409,359
General reserve					
Beginning of the financial year		**1,221**	238	**–**	–
Transfer from Operations		**1,240**	983	**–**	–
End of the financial year	19	**2,461**	1,221	**–**	–
Hedging reserve					
Beginning of the financial year		**16,004**	15,953	**850**	327
Fair value changes, net of tax		**(27,335)**	32,200	**(913)**	1,816
Reclassification to profit or loss, net of tax		**5,977**	(32,149)	**309**	(1,293)
End of the financial year	20	**(5,354)**	16,004	**246**	850
Foreign currency translation reserve					
Beginning of the financial year		**58,914**	206,136	**–**	–
Reclassification to profit or loss		**(3,794)**	(3,168)	**–**	–
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**7,657**	(144,054)	**–**	–
End of the financial year	21	**62,777**	58,914	**–**	–
Net assets attributable to Unitholders at end of the financial year		**4,585,480**	3,888,752	**2,642,751**	2,410,209
Non-controlling interests					
Beginning of the financial year		**–**	–	**–**	–
Profit after tax for the financial year		**479**	–	**–**	–
Cash flow hedges					
– Fair value changes, net of tax		**(121)**	–	**–**	–
– Reclassification, net of tax		**15**	–	**–**	–
Contribution from non-controlling interests		**4,960**	–	**–**	–
Distributions to non-controlling interests		**(656)**	–	**–**	–
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**(2)**	–	**–**	–
End of the financial year		**4,675**	–	**–**	–

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group 2019 S$'000	2018 S$'000
Cash flows from operating activities			
Profit for the financial year		**634,412**	574,341
Adjustments for:			
– Income tax expenses	7(a)	**61,422**	43,911
– Amortisation of rent free incentive		**1,088**	880
– Depreciation	14	**817**	716
– Plant and equipment written off		**–**	30
– Net change in fair value of investment properties	13	**(465,152)**	(417,122)
– Net change in fair value of financial derivatives		**604**	(522)
– Manager's management fees paid/payable in units		**23,092**	22,048
– Property Manager's management fees paid/payable in units		**12,659**	12,421
– Finance costs	6	**74,264**	69,687
– Interest income		**(1,898)**	(1,996)
– Net foreign exchange gain on capital item		**(3,794)**	(3,168)
Operating cash flows before working capital changes		**337,514**	301,226
Changes in working capital:			
– Trade and other receivables and other current assets		**(1,964)**	45,704
– Inventories		**71**	68
– Trade and other payables		**1,730**	(2,730)
Cash generated from operations		**337,351**	344,268
Income tax paid	7(b)	**(28,379)**	(37,871)
Net cash provided by operating activities		**308,972**	306,397
Cash flows from investing activities			
Additions to investment properties	13	**(3,399)**	(4,951)
Additions to plant and equipment	14	**(1,429)**	(1,629)
Net cash outflow on acquisition of investment properties*		**(733,068)**	–
Interest income received		**1,366**	1,899
Net cash used in investing activities		**(736,530)**	(4,681)
Cash flows from financing activities			
Repayment of borrowings		**(662,155)**	(542,235)
Proceeds from borrowings		**946,654**	512,047
Financing fees paid		**(6,128)**	(1,693)
Proceeds from issuance of Tokutei Mokuteki Kaisha ("TMK") bonds and medium term note		**178,278**	–
Net proceeds/(repayment)		**456,649**	(31,881)
Proceeds from issuance of new units pursuant to private placement		**330,298**	–
Payment of issue expenses		**(5,599)**	–
Payment of distributions to Unitholders		**(285,057)**	(208,740)
Payment of distributions to non-controlling interests (capital returns)		**(656)**	
Contribution from non-controlling interests		**4,960**	–
Interest paid		**(70,565)**	(63,527)
Change in restricted cash		**(3,665)**	–
Net cash provided by/(used in) financing activities		**426,365**	(304,148)
Net decrease in cash and cash equivalents		**(1,193)**	(2,432)
Cash and cash equivalents at beginning of the financial year		**177,981**	180,420
Effect of currency translation on cash and cash equivalents		**(1,620)**	(7)
Cash and cash equivalents at end of the financial year	9	**175,168**	177,981

* The amount is adjusted for the net identifiable assets acquired, liabilities assumed (S$38,786,000) and payment of acquisition fee to the Manager by way of issuance of units (S$5,689,000).

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Reconciliation of liabilities arising from financing activities

	Beginning of financial year $'000	Net cash flows $'000	Non-cash changes: Finance costs $'000	Non-cash changes: Foreign exchange movement $'000	End of financial year $'000
2019					
Borrowings	**2,361,085**	**456,649**	**3,965**	**46,205**	**2,867,904**
Interest payable within "Trade and other payables" (Note 16)	**8,402**	**(70,565)**	**70,299**	**149**	**8,285**
2018					
Borrowings	2,556,156	(31,881)	3,647	(166,837)	2,361,085
Interest payable within "Trade and other payables" (Note 16)	8,598	(63,527)	66,040	(2,709)	8,402

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

Portfolio Statement

AS AT 31 MARCH 2019

Description of properties	Acquisition date	Term of lease	Remaining term of lease	Location	Existing use	Gross revenue for financial year ended 31/03/2019 S$'000
Investment property in The Hong Kong Special Administrative Region of China ("Hong Kong SAR"):						
Festival Walk	07/03/2013	54 years	28 years ending in 2047	No. 80 Tat Chee Avenue, Kowloon Tong, Hong Kong SAR	Commercial	**253,996**
Investment properties in China ("China"):						
Gateway Plaza	07/03/2013	50 years	34 years ending in 2053	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District, Beijing, China	Commercial	**87,221**
Sandhill Plaza	17/06/2015	50 years	41 years ending in 2060	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District, Shanghai, China	Commercial	**25,020**
Investment properties in Japan ("JP")						
IXINAL Monzen-nakacho Building ("MON")	25/05/2018	Freehold	–	5-4, Fukuzumi 2-Chome, Koto-ku, Tokyo, Japan	Commercial	**5,438**
Higashi-nihonbashi 1-chome Building ("HNB")	25/05/2018	Freehold	–	4-6, Higashi-Nihonbashi 1-Chome, Chuo-Ku, Tokyo, Japan	Commercial	**1,365**

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

Gross revenue for financial year ended 31/03/2018 S$'000	**Occupancy rates at 31/03/2019 %**	Occupancy rates at 31/03/2018 %	Latest valuation date	**Valuation at 31/03/2019 S$'000**	Valuation at 31/03/2018 S$'000	**Percentage of net assets attributable to Unitholders at 31/03/2019**	Percentage of net assets attributable to Unitholders at 31/03/2018
246,076	**100.0**	100.0	31/03/2019	**4,966,850**	4,514,220	**108.3**	116.1
84,729	**99.0**	96.5	31/03/2019	**1,384,519**	1,340,258	**30.2**	34.5
24,225	**99.3**	100.0	31/03/2019	**475,316**	437,529	**10.4**	11.3
–	**100.0**	–	31/03/2019	**106,272**	–	**2.3**	–
–	**100.0**	–	31/03/2019	**26,416**	–	**0.6**	–

Portfolio Statement

AS AT 31 MARCH 2019

Description of properties	Acquisition date	Term of lease	Remaining term of lease	Location	Existing use	**Gross revenue for financial year ended 31/03/2019 S$'000**
Investment properties in Japan ("JP") (continued)						
TS Ikebukuro Building ("TSI")	25/05/2018	Freehold	–	63-4, Higashi-Ikebukuro 2-Chome, Toshima-ku, Tokyo, Japan	Commercial	**2,966**
ABAS Shin-Yokohama Building ("ASY")	25/05/2018	Freehold	–	6-1, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama City, Kanagawa.	Commercial	**1,803**
SII Makuhari Building ("SMB")	25/05/2018	Freehold	–	8, Nakase 1-chome, Mihama-ku, Chiba-Shi, Chiba, Japan	Commercial	**18,861**
Fujitsu Makuhari Building ("FJM")	25/05/2018	Freehold	–	9-3, Nakase 1-chome, Mihama-Ki,Chiba-shi, Chiba, Japan	Commercial	**12,017**
Investment properties - Group						**408,687**
Other assets and liabilities - Group						
Net assets						
Less: Non-controlling interests						
Net assets attributable to Unitholders						

Notes:
The carrying amounts of the investment properties were based on independent full valuations as at 31 March 2019 (2018: 31 March 2018) undertaken by CBRE (HK SAR and China properties) and Cushman & Wakefield K.K. ("Cushman") (JP) (2018: CBRE Limited ("CBRE")), independent valuers. CBRE and Cushman (2018: CBRE) has the appropriate professional qualifications and experience in the locations and category of the properties being valued.
The full valuations of the investment properties were based on discounted cash flow method, income capitalisation method and direct comparison method. The direct comparison method is only used for China properties.

Investment properties comprise a portfolio of commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessees.

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

Gross revenue for financial year ended 31/03/2018 S$'000	**Occupancy rates at 31/03/2019 %**	Occupancy rates at 31/03/2018 %	Latest valuation date	**Valuation at 31/03/2019 S$'000**	Valuation at 31/03/2018 S$'000	**Percentage of net assets attributable to Unitholders at 31/03/2019**	Percentage of net assets attributable to Unitholders at 31/03/2018
–	**100.0**	–	31/03/2019	**64,274**	–	**1.4**	–
–	**100.0**	–	31/03/2019	**33,233**	–	**0.7**	–
–	**100.0**	–	31/03/2019	**325,024**	–	**7.1**	–
–	**100.0**	–	31/03/2019	**227,639**	–	**5.0**	–
355,030				**7,609,543**	6,292,007	**166.0**	161.9
				(3,019,388)	(2,403,255)	**(66.0)**	(61.9)
				4,590,155	3,888,752	**100.0**	100.0
				(4,675)	–	**–**	–
				4,585,480	3,888,752	**100.0**	100.0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

1. General

Mapletree North Asia Commercial Trust (formerly known as Mapletree Greater China Commercial Trust) ("MNACT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 14 February 2013 (as amended) between Mapletree North Asia Commercial Trust Management Ltd. (as Manager) and DBS Trustee Limited (as Trustee). The Trust Deed is governed by the laws of the Republic of Singapore.

MNACT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 7 March 2013 and was approved for inclusion under the Central Provident Fund ("CPF") Investment Scheme on 23 January 2013.

The principal activity of MNACT and its subsidiaries (the "Group") is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in Hong Kong SAR, in China and in Japan. It focuses primarily on commercial assets (predominantly for retail and/or office use), as well as real estate-related assets. It has the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

On 25 May 2018, the Trust changed its name from Mapletree Greater China Commercial Trust to Mapletree North Asia Commercial Trust.

MNACT has entered into several service agreements in relation to the management of MNACT 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 MNACT ("Deposited Property") (subject to a minimum of S$15,000 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 out of the Deposited Property of MNACT monthly, in arrears. 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 S$15,000 per month). At inception, the Trustee was paid a one-time inception fee of S$50,000.

(B) Management fees

The Manager or its nominees are entitled to receive the following remuneration:

(i) a base fee of 10.0% per annum of the Distributable Income or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee of 25.0% of the difference in Distribution per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of units in issue for such financial year, or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

1. General (continued)

(B) Management fees (continued)

The management fees payable to the Manager or its nominees will be paid in the form of cash or/and Units. In relation to the Japan Properties*, the asset management services are provided by Mapletree Investments Japan Kabushiki Kaisha ("MIJ"). In view of the fees payable in cash to the MIJ for the Japan Properties, the Manager has elected to waive the Base Fee, which it is otherwise entitled to under the Trust Deed for as long as the Manager and MIJ are wholly-owned by Mapletree Investments Pte Ltd and the MIJ continues to receive the Japan asset management fee in respect of the Japan Properties.

Where the management base fees are paid in cash, the amounts are paid monthly, in arrears. Where the management base fees are paid in the form of Units, the amounts are paid quarterly, in arrears.

The management performance fees are paid annually in arrears, whether in the form of cash or/and Units.

(C) Acquisition and Divestment fee

The Manager or its nominees are entitled to receive the following fees:

(i) an acquisition fee not exceeding 0.75% and 1.0% of the acquisition price of any Authorised Investments (as defined in the Trust Deed) from Related Parties and all other acquisitions respectively, acquired directly or indirectly, through one or more Special Vehicles ("SPV"), pro-rated if applicable to the proportion of MNACT's interest; and

(ii) a divestment fee not exceeding 0.5% of the sale price of any Authorised Investments, sold or divested directly or indirectly through one or more SPVs, pro-rated if applicable to the proportion of MNACT's interest.

The acquisition and disposal fee will be paid in the form of cash or/and Units and is payable as soon as practicable after completion of the acquisition and disposal respectively.

(D) Fees under the Property Management Agreement

(i) Property management services

The Trustee will pay Mapletree North Asia Commercial Property Management Limited (the "Property Manager"), for each Fiscal Year (as defined in the Property Management Agreement), the following fees:

- 2.0% per annum of the gross revenue for the relevant property;
- 2.0% per annum of the net property income ("NPI") for the relevant property (calculated before accounting for the property management fee in that financial period); and
- where any service is provided by a third party service provider, the Property Manager will be entitled to receive a fee equal to 20% of all fees payable to such third party service provider for supervising and overseeing the services rendered by the third party service provider. Such services shall include, but not limited to, master planning work, retail planning work and environmental impact studies.

The property management fees will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

* Japan Properties, three office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building and TS Ikebukuro Building); an office building in Yokohama (ABAS Shin-Yokohama Building); and two office buildings in Chiba (SII Makuhari Building and Fujitsu Makuhari Building) (collectively the "Japan Properties") (acquired on 25 May 2018)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. General (continued)

(D) Fees under the Property Management Agreement (continued)

(ii) Marketing services

Under the Property Management Agreement, 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; and
- up to 1 month's gross rent inclusive of service charge for securing a renewal tenancy of more than 3 years.

The Property Manager is not entitled to the marketing services commissions if such service is (i) performed by staff of the asset holding company or (ii) performed by third party service providers.

The marketing services commissions will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

(iii) Project management services

The Trustee will pay the Property Manager a project management fee subject to:

- a limit of up to 3.0% of the total construction costs incurred for the development or redevelopment, the refurbishment, retrofitting and renovation works on a property; and
- an opinion issued by an independent quantity surveyor, to be appointed by the Trustee upon recommendation by the Manager, that the project management fee is within market norms and reasonable range.

The project management fees will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

(iv) Staff costs reimbursement

The Property Manager employs the centre management team and the persons to run the ice rink business of Festival Walk. The Property Manager is entitled to the following:

- reimbursement for the cost of employing the centre management team of Festival Walk and the persons to run the ice rink business of Festival Walk; and
- 3.0% of such employment cost.

The staff costs reimbursement will be paid in the form of cash.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the Code on Collective Investment Schemes ("CCIS") issued by the Monetary Authority of Singapore ("MAS") relating to financial reporting and the provisions of the Trust Deed.

These financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the Manager 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. Information about an area involving a higher degree of judgement, where assumptions and estimates are significant to the financial statements, is disclosed in Note 13 - Investment Properties. The assumptions and estimates were used by the independent valuers in arriving at their valuations.

2.2 Adoption of SFRS(I)

The Accounting Standards Council (Singapore) has introduced a new financial reporting framework, SFRS(I), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board. The MAS has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes to prepare its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS").

The Group has adopted SFRS(I) on 1 April 2018 and as a result, these financial statements for the year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with SFRS.

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in *SFRS(I) 1 First-time Adoption of SFRS(I)*.

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening balance sheet has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemption in preparing this first set of financial statements in accordance with SFRS(I):

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.2 Adoption of SFRS(I) (continued)

(a) Optional exemptions applied (continued)

Short-term exemption on adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

There is no impact on the classification and measurement of the Group's and the Trust's financial instruments as at 1 April 2018.

For an explanation of how the Group classifies and measures financial assets and related gain and losses using the principles under SFRS(I) 9, see Note 2.13.

(b) The adoption of SFRS(I) has had no material effect on the amounts previously reported for prior financial years under SFRS. Certain comparative figures have been reclassified to conform to the current year's presentation.

The following table and the accompanying notes below explain the original measurement categories using the principles under SFRS 39 *Financial Instruments: Recognition and Measurement* and the new measurement categories using the principles under SFRS(I) 9 for each class of the Group's and the Trust's financial assets as at 1 April 2018.

			1 April 2018	
	Original classification using the principles under SFRS 39	**New classification using the principles under SFRS(I) 9**	**Original carrying amount using the principles under SFRS 39 S$'000**	**New carrying amount using the principles under SFRS(I) 9 S$'000**
Group				
Financial assets				
Trade and other receivables	Loan and receivables	Amortised cost	9,419	9,419
Cash and bank balances	Loan and receivables	Amortised cost	177,981	177,981
Other current assets (excluding prepayments)	Loan and receivables	Amortised cost	61	61
Total financial assets			**187,461**	**187,461**
Trust				
Financial assets				
Trade and other receivables	Loan and receivables	Amortised cost	5,567	5,567
Cash and bank balances	Loan and receivables	Amortised cost	90,867	90,867
Total financial assets			**96,434**	**96,434**

2. Significant Accounting Policies (continued)

2.3 Revenue recognition

(a) Rental income and service charge from operating leases

Rental income and service charge from operating leases (net of any incentives given to the lessees) on investment properties are recognised on a straight-line basis over the lease term. Contingent rents, which include turnover rental income, are recognised as income in the profit or loss when earned.

(b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.4 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are Property Manager's fees which are based on the applicable formula set out in Note 1(D).

(b) Management fees

Management fees are recognised on an accrual basis using the applicable formula set out in Note 1(B).

(c) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula set out in Note 1(A).

2.5 Borrowing costs

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

The actual borrowing costs incurred during the financial period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditure that are financed by general borrowings.

2.6 Income tax

Taxation on the return for the financial year comprises current and deferred income tax.

Current income tax for the current and prior periods is recognised at the amount expected to be paid or to be recovered from the tax authorities, using tax rates enacted or substantively enacted by the reporting date.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.6 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. The carrying amount of deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred income tax asset and liability are offset when there is a legally enforceable right to set off current income tax asset against current income tax liability and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current income tax asset and liability on a net basis.

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in Unitholders' funds and/or hedging reserve, in which case the tax is also recognised directly in Unitholders' funds and/or hedging reserve, or where the tax arises from the initial accounting for a business combination.

Except for the tax exemption as described below, taxable income earned by the Trust will be subject to Singapore income tax at the prevailing corporate tax rate.

The Trustee is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act ("SITA") on the dividend income from its subsidiaries in Cayman out of underlying rental income derived from the investment properties in Hong Kong SAR and in China. This exemption is granted subject to certain conditions.

The Trustee is also exempted from Singapore income tax under Section 13(8) of the SITA on the dividends received from the Hong Kong Treasury Company provided that the underlying income is subject to profits tax in Hong Kong SAR and the highest rate of profits tax rate in Hong Kong SAR at the time the income is received in Singapore is not less than 15.0%.

The tax exemption also applies to dividend income from the Trust's subsidiaries out of gains, if any, derived from disposal of shares in the subsidiaries unless the gains are considered income of trade or business. Gains arising from the sales of subsidiaries, if considered to be trading gains, will be assessed to tax, currently at 17%, on the Trust under Section 10(1)(a) of the SITA.

Any return of capital received by the Trust from these subsidiaries is capital in nature and hence, is not taxable on the Trustee.

2. Significant Accounting Policies (continued)

2.7 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

(ii) Acquisitions

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

The consideration transferred for the acquisition of a subsidiary 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 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 fair value of the net identifiable assets acquired is recorded as goodwill.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.7 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised.

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

Please refer to the paragraph "Investments in subsidiaries", for the accounting policy on investments in subsidiaries (Note 2.8) in the separate financial statements of MNACT.

(b) Transactions with non-controlling interests

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

2.8 Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses (Note 2.11) in MNACT's Statement of Financial Position. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.9 Investment properties

Investment properties are properties held either to earn rental income and/or capital appreciation.

Investment properties are accounted for as non-current assets and initially recognised at cost on acquisition, 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 valuers at least once a year, in accordance with CCIS. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvement from time to time. The cost of major renovations and improvement are capitalised and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to profit or loss.

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

2. Significant Accounting Policies (continued)

2.10 Plant and equipment

(a) *Measurement*

All 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 includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Manager.

(b) *Depreciation*

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

	Useful lives
Computer equipment	5 years
Other fixed assets	3 to 5 years

The residual values and estimated useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss for the financial period in which 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 during the financial period in which it is incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.11 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.11 Impairment of non-financial assets (continued)

Plant and equipment
Investments in subsidiaries

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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 financial period. A reversal of impairment loss for an asset is recognised in profit or loss.

2.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents average unit cost of purchase and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date, which are presented as non-current assets. Loans and receivables are presented as "cash and bank balances", "trade and other receivables", and "other current assets" (except for prepayments) on the Statements of Financial Position.

These financial assets are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Significant Accounting Policies (continued)

2.13 Financial assets (continued)

The impairment allowance is reduced through profit or loss in a subsequent financial 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 financial periods.

The accounting for financial assets from 1 April 2018 are as follows:

Classification and measurement

The Group classifies its financial assets as held at amortised cost.

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

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

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

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables and other current assets (except for prepayments).

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. The Group managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.13 Financial assets (continued)

Classification and measurement (continued)

(ii) At subsequent measurement (continued)

Debt instruments (continued)

For other receivables, other current assets (except for prepayments) and cash and bank balances, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash balances and deposits with financial institutions.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

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

2.16 Trade and other payables

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

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

2.17 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as interest rate swaps, cross currency interest rate swaps and forward currency contracts to hedge its exposure to interest rate risks and currency risks arising from operational, financing and investment activities. In accordance with its treasury policy, which is in line with the CCIS, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date the contracts are entered into and are subsequently carried at their fair value.

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.

2. Significant Accounting Policies (continued)

2.17 Derivative financial instruments and hedging activities (continued)

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

(a) Cash flow hedge

(i) Interest rate swaps

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

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

(ii) Cross currency interest rate swaps

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

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

(iii) Forward currency contracts

MNACT has entered into forward currency contracts that qualify as cash flow hedges at MNACT level and are used to hedge the highly probable forecasted foreign currency income received from the offshore assets, back into Singapore Dollars.

The fair value changes on the effective portion of forward currency contracts designated as cash flow hedges are recognised in other comprehensive income and transferred to profit or loss as part of dividend income upon the receipt of the dividend income. The fair value changes on the ineffective portion of currency forwards are recognised immediately in the profit or loss.

(b) Derivatives that are not designated or do not qualify for hedge accounting

Fair value changes on forward currency contracts which do not qualify for hedge accounting at Group level, are recognised in the profit or loss when the changes arise. Such derivatives are presented as current assets or liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2. Significant Accounting Policies (continued)

2.18 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the reporting date. The fair values of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows, using assumptions based on market conditions existing at the reporting date.

The fair values of non-current financial liabilities carried at amortised cost are determined from adjusted quoted prices or cash flow analysis discounted at the current market interest rates that are available to the Group for similar financial liabilities.

2.19 Operating leases

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 profit or loss on a straight-line basis over the period of the lease.

When the Group is a lessee:

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event where it is probable that such obligation will result in an outflow of economic benefits that can be reasonably estimated.

2.21 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and included in the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

2. Significant Accounting Policies (continued)

2.21 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

(i) Assets and liabilities are translated at the closing rates at the reporting date;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting exchange differences are recognised in other comprehensive income and taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and taken to the foreign currency translation reserve. When a foreign operation is sold or any loan forming part of the net investment in foreign operation is repaid, such currency translation differences recorded in the foreign currency translation reserve are recognised in profit and loss as part of the gain or loss on sale.

2.22 Units and unit issuance expenses

Proceeds from the issuance of Units in MNACT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new Units are deducted directly from the net assets attributable to the Unitholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.24 Distribution policy

MNACT's distribution policy is to distribute, on a quarterly basis, at least 90.0% of its distributable income, comprising substantially its income from the letting of its properties and related property services income and after deduction of allowable expenses and allowances, and of its tax-exempt income (if any). With effect from 1 April 2018, the distribution is on a quarterly basis instead of on a semi-annual basis.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3. Gross Revenue

	Group	
	2019	2018
	S$'000	S$'000
Rental income	**350,311**	301,739
Service charges	**11,307**	7,976
Other operating income	**47,069**	45,315
	408,687	355,030

The turnover rental income recognised in rental income during the financial year was S$8,525,000 (2018: S$9,020,000).

Other operating income comprises car park revenue and other income attributable to the operations of the properties, such as additional air-conditioning and chilled water charges, ice rink income, rental from event space and refuse compactor charge.

4. Property Operating Expenses

	Group	
	2019	2018
	S$'000	S$'000
Staff costs*	**3,595**	4,106
Utilities and property maintenance	**16,319**	13,019
Marketing and promotion expenses	**5,754**	4,926
Professional fees	**1,681**	1,548
Property and other taxes	**22,875**	17,391
Property and lease management fees	**16,079**	14,087
Property management reimbursements**	**9,613**	9,279
Other operating expenses	**3,741**	3,524
	79,657	67,880

* Includes contribution to defined contribution plans of S$233,000 (2018: S$234,000).

** Includes reimbursements paid/payable to the Property Manager in respect of agreed employee expenditure incurred by the Property Manager for providing its services under the Property Management Agreement.

The Group's daily operations and administrative functions are provided by the Manager and Property Manager.

All of the Group's investment properties generate rental income and the above expenses are direct operating expenses arising therefrom.

5. Other Trust Expenses

	Group		MNACT	
	2019	2018	**2019**	2018
	S$'000	S$'000	**S$'000**	S$'000
Consultancy and professional fees	**425**	364	**69**	68
Valuation fees	**57**	24	**–**	–
Other trust expenses	**1,013**	1,081	**141**	307
	1,495	1,469	**210**	375

Total fees to auditors included in other trust expenses are as follows:

	Group		MNACT	
	2019	2018	**2019**	2018
	S$'000	S$'000	**S$'000**	S$'000
Auditors' remuneration	**312**	267	**48**	45
Non-audit fees	**–**	–	**–**	–
	312	267	**48**	45

Auditors of the Group comprise member firms of PricewaterhouseCoopers International Limited.

6. Finance Costs

	Group	
	2019	2018
	S$'000	S$'000
Interest expense	**76,729**	63,380
Cash flow hedges, reclassified from hedging reserve (Note 20)	**(6,430)**	2,660
Financing fees*	**3,965**	3,647
	74,264	69,687

* Includes legal fees of S$317,000 (2018: S$306,000).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

7. Income Tax

(a) Income tax expenses

	Group		MNACT	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Tax expense attributable to current financial year's results is made up of:				
Current income tax				
– Singapore	**60**	59	**60**	59
– Foreign	**19,352**	17,426	**–**	–
	19,412	17,485	**60**	59
Withholding tax - Foreign	**9,561**	8,603	**–**	–
	28,973	26,088	**60**	59
Deferred tax (Note 18)	**32,452**	17,658	**–**	–
	61,425	43,746	**60**	59
(Over)/Under provision in preceding financial years:				
Current income tax - Foreign	**(3)**	165	**–**	–
	61,422	43,911	**60**	59

The income tax expenses on the results for the financial year differ from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group		MNACT	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Profit before tax	**695,834**	618,252	**152,916**	147,341
Tax calculated at a tax rate of 17% (2018: 17%)	**118,292**	105,103	**25,996**	25,048
Effects of:				
– Expenses not deductible for tax purposes	**6,500**	5,765	**4,040**	3,956
– Income not subject to tax	**(2,004)**	(2,821)	**–**	–
– Gain on revaluation of investment properties not subject to tax	**(55,408)**	(55,844)	**–**	–
– Income not subject to tax due to tax transparency ruling (Note 2.6)	**–**	–	**(29,976)**	(28,945)
– Different tax rates in other countries	**(6,136)**	(8,312)	**–**	–
– (Over)/Under provision in preceding financial years	**(3)**	165	**–**	–
– Others	**181**	(145)	**–**	–
Tax charge	**61,422**	43,911	**60**	59

7. Income Tax (continued)

(b) Movements in current income tax liabilities

	Group		MNACT	
	2019 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'000
Beginning of the financial year	**29,930**	44,142	**82**	70
Income tax paid	**(28,379)**	(37,871)	**(23)**	(47)
Tax expense	**28,973**	26,088	**60**	59
(Over)/Under provision in preceding financial years	**(3)**	165	**–**	–
Translation differences on consolidation	**695**	(2,594)	**–**	–
End of the financial year	**31,216**	29,930	**119**	82

(c) The tax charge relating to each component of other comprehensive income is as follows:

	2019			2018		
	Before tax S$'000	**Tax charge S$'000**	**After tax S$'000**	Before Tax S$'000	Tax Charge S$'000	After tax S$'000
Cash flow hedges						
– Fair value changes	**(32,951)**	**5,495**	**(27,456)**	38,576	(6,376)	32,200
– Reclassification	**6,528**	**(536)**	**5,992**	(31,774)	(375)	(32,149)
Currency translation differences						
– Gains/(losses)	**7,655**	**–**	**7,655**	(144,054)	–	(144,054)
– Reclassification	**(3,794)**	**–**	**(3,794)**	(3,168)	–	(3,168)
Other comprehensive income	**(22,562)**	**4,959**	**(17,603)**	(140,420)	(6,751)	(147,171)

8. Earnings Per Unit

The calculation of basic and diluted earnings per unit is based on:

	Group		MNACT	
	2019	2018	**2019**	2018
Net profit attributable to Unitholders of MNACT (S$'000)	**633,933**	574,341	**152,856**	147,282
Weighted average number of units outstanding during the financial year ('000)	**3,124,200**	2,810,988	**3,124,200**	2,810,988
Basic and diluted earnings per unit (cents)	**20.291**	20.432	**4.893**	5.239

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

9. Cash and Bank Balances

	Group			MNACT		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
Cash at bank and on hand	**111,937**	89,863	112,522	**51,177**	49,457	66,844
Short-term bank deposits	**66,896**	88,118	122,335	**11,485**	41,410	30,000
	178,833	177,981	234,857	**62,662**	90,867	96,844

Short-term bank deposits at the reporting date have a weighted average maturity of 95 (31 March 2018: 111, 1 April 2017: 45) days from the end of the financial year. The effective interest rates at the reporting date ranged from 1.64% to 3.85% (31 March 2018: 1.31% to 3.05%, 1 April 2017: 0.90% to 2.18%) per annum.

Included in cash and bank balances as at 1 April 2017 was an amount of RMB264,860,000, equivalent to S$54,437,000 which relates to cash receipts set aside to settle the amount due to a related party (Note 16). As at 31 March 2018, this cash amount had been fully paid.

For purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Cash and bank balances	**178,833**	177,981	234,857
Less: Amount received and set aside to be repaid to a related party	**–**	–	(54,437)
Less: Restricted cash *	**(3,665)**	–	–
Cash and cash equivalents per consolidated statement of cash flows	**175,168**	177,981	180,420

* Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash are reserves for use in capital expenditure, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

10. Trade and Other Receivables

	Group			MNACT		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
Trade receivables:						
– Non-related parties	**996**	807	44,582	**395**	395	366
– Related parties	**–**	–	346	**–**	–	–
Amounts due from subsidiaries (non-trade)	**–**	–	–	**5,839**	5,025	4,615
Accrued revenue	**5,773**	6,767	8,027	**–**	–	–
Interest receivables	**1,168**	636	538	**–**	–	–
Other receivables	**1,385**	1,209	1,719	**75**	147	55
	9,322	9,419	55,212	**6,309**	5,567	5,036

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

11. Other Current Assets

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Deposits	**51**	61	63
Prepayments	**2,044**	493	1,100
	2,095	554	1,163

12. Derivative Financial Instruments

	Group			
		Contract	Fair value	
		notional amount	Assets	Liabilities
	Maturity	S$'000	S$'000	S$'000
31 March 2019				
Cash flow hedging instruments:				
Interest rate swaps (current)	December 2019 – March 2020	431,900	**1,391**	**(489)**
Interest rate swaps (non-current)	April 2020 – May 2025	908,222	**468**	**(10,212)**
Cross currency interest rate swaps (current)	March 2020	108,490	**1,034**	**–**
Cross currency interest rate swaps (non-current)	September 2021 – March 2027	695,203	**12,868**	**(6,896)**
Non-hedging instruments:				
Currency forwards (current)	June 2019 – December 2019	118,401	**982**	**(737)**
			16,743	**(18,334)**
Represented by:				
Current position			**3,407**	**(1,226)**
Non-current position			**13,336**	**(17,108)**
Percentage of derivatives to the Group's net asset value				**(0.03%)**
31 March 2018				
Cash flow hedging instruments:				
Interest rate swaps (current)	July 2018 – March 2019	503,897	396	–
Interest rate swaps (non-current)	March 2020 – November 2020	529,799	6,472	(20)
Cross currency interest rate swaps (non-current)	March 2020 – March 2023	500,471	31,606	(2,676)
Non-hedging instruments:				
Currency forwards (current)	June 2018 – December 2018	78,127	1,093	(244)
			39,567	(2,940)
Represented by:				
Current position			1,489	(244)
Non-current position			38,078	(2,696)
Percentage of derivatives to the Group's net asset value				0.9%

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

12. Derivative Financial Instruments (continued)

		Group		
		Contract	Fair value	
		notional amount	Assets	Liabilities
	Maturity	S$'000	S$'000	S$'000
1 April 2017				
Cash flow hedging instruments:				
Interest rate swaps (non-current)	July 2018 – March 2020	956,968	4,551	(529)
Cross currency interest rate swaps (non-current)	March 2020 – March 2023	508,653	3,768	(13,248)
Non-hedging instruments:				
Currency forwards (current)	June 2017 – September 2017	66,344	508	(181)
			8,827	(13,958)
Represented by:				
Current position			508	(181)
Non-current position			8,319	(13,777)
Percentage of derivatives to the Group's net asset value				(0.1%)

At 31 March 2019, the fixed interest rates payable on interest rate swaps and cross currency interest rate swaps vary from 0.32% to 3.58% (31 March 2018: 1.09% to 3.58%, 1 April 2017: 1.09% to 3.70%) per annum and the fixed and floating interest rates receivable vary from 0.07% to 3.96% (31 March 2018: 1.02% to 3.96%, 1 April 2017: 0.81% to 4.38%) per annum.

		MNACT		
		Contract	Fair value	
		notional amount	Assets	Liabilities
	Maturity	S$'000	S$'000	S$'000
31 March 2019				
Cash flow hedging instruments:				
Currency forwards (current)	June 2019 – December 2019	118,401	**982**	**(737)**
Percentage of derivatives to MNACT's net asset value				**0.01%**
31 March 2018				
Cash flow hedging instruments:				
Currency forwards (current)	June 2018 – December 2018	78,127	1,093	(244)
Percentage of derivatives to MNACT's net asset value				0.04%
1 April 2017				
Cash flow hedging instruments:				
Currency forwards (current)	June 2017 – September 2017	66,344	508	(181)
Percentage of derivatives to MNACT's net asset value				0.01%

12. Derivative Financial Instruments (continued)

Hedging instruments used in Group's hedging strategy in 2019

	Contractual notional amount S$'000	Carrying Amount: Assets/ (Liabilities) S$'000	Carrying Amount: Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness: Hedging instrument S$'000	Changes in fair value used for calculating hedge ineffectiveness: Hedged Item S$'000	Hedge ineffectiveness recognised in P&L S$'000	Maturity date
Group							
Cash flow hedge							
Interest rate risk							
– Interest rate swaps to hedge floating rate borrowings	1,340,122	(8,842)	Derivative financial instruments	(15,139)	15,139	–	December 2019 – May 2025
Interest rate risk/foreign exchange risk							
– Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	803,690	7,006	Derivative financial instruments	(17,812)	17,812	–	March 2020 – March 2027
MNACT							
Cash flow hedge							
Foreign exchange risk							
– Forward contracts to hedge highly probable transactions	118,400	245	Derivative financial instruments	(913)	913	–	June 2019 – December 2019

At 31 March 2019, the Group's weighted average hedge rates for interest rate swaps and cross currency swaps were 2.79% and 2.73% (SGD1: HKD5.75, USD1: HKD7.79, SGD1: JPY82.30 and HKD1: JPY14.28) respectively.

At 31 March 2019, MNACT's weighted average hedged rates for outstanding forward contracts were SGD1: HKD5.74, SGD1: RMB5.06 and SGD1: JPY80.13.

13. Investment Properties

(a) Investment properties

	Group 31 March 2019 S$'000	Group 31 March 2018 S$'000
Beginning of the financial year	**6,292,007**	6,226,345
Additions	**3,399**	4,951
Acquisition	**777,543**	–
Net change in fair value of investment properties	**465,152**	417,122
Translation difference on consolidation	**71,442**	(356,411)
End of the financial year	**7,609,543**	6,292,007

Details of the properties are shown in the Portfolio Statement.

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13. Investment Properties (continued)

(b) Fair value hierarchy

The following level presents the investment properties at fair value and classified by level of fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

All properties within the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) Reconciliation of movements in Level 3 fair value measurements

	Hong Kong SAR S$'000	China S$'000	Japan S$'000
2019			
Beginning of the financial year	**4,514,220**	**1,777,787**	**–**
Additions, including effect of amortisation of leasing related and capitalised cost	**3,440**	**(331)**	**290**
Acquisition*	**–**	**–**	**777,543**
Net change in fair value of investment properties	**326,796**	**133,637**	**4,719**
Translation differences on consolidation	**122,394**	**(51,258)**	**306**
End of the financial year	**4,966,850**	**1,859,835**	**782,858**
2018			
Beginning of the financial year	4,549,220	1,677,125	–
Additions	4,637	314	–
Net change in fair value of investment properties	338,449	78,673	–
Translation differences on consolidation	(378,086)	21,675	–
End of the financial year	4,514,220	1,777,787	–

* Included non-audit fees of S$182,000 (2018: nil) paid to the auditor of MNACT for the service rendered as the independent reporting auditor.

The TMK bonds and certain bank loans are secured on the Japan Properties with carrying amounts on the balance sheet of S$782,858,000 (31 March 2018 and 1 April 2017: nil) (Note 17).

13. Investment Properties (continued)

(d) Valuation techniques and key unobservable inputs

Fair values of the Group's properties have been derived using the following valuation techniques:

- Income capitalisation – Properties are valued by capitalising the net income on a fully leased basis at a blended rate to arrive at the core capital value. The net income of the building is the estimated current rate and potential future income from existing vacancies after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location and tenancy profile of the property together with the prevailing property market condition.

- Discounted cash flow - Properties are valued by discounting the net cash flows over the assumed cash flow period at an appropriate rate to reflect risk.

- Direct comparison - Properties are valued by using transacted prices for comparable properties for which price information is available, with adjustments made for differences in size, location, time, amenities, building age, building quality, remaining land tenure and other relevant factors.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the investment properties categorised under Level 3 of the fair value hierarchy:

Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Income capitalisation	Capitalisation rate	4.15% – 5.75% (31 March 2018: 4.25% – 6.25%) per annum	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow	Discount rate	3.90% – 9.25% (31 March 2018: 8.00% – 9.80%, 1 April 2017: 8.00% – 10.50%) per annum	The higher the discount rate, the lower the fair value.
Direct comparison (only for China properties)	Adjusted price per square metre	RMB 37,301 – RMB 64,599 (31 March 2018: RMB33,105 – RMB60,429, 1 April 2017: RMB32,394 – RMB57,864)	The higher the adjusted price per square metre, the higher the fair value.
Term and reversion (1 April 2017)	Term and reversion rate	4.50% – 6.50% per annum	The higher the capitalisation rate, the lower the fair value.

The Manager is of the view that the valuation techniques and estimates are reflective of the current market conditions.

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13. Investment Properties (continued)

(e) Valuation processes of the Group

The Group engages two external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2019, the fair values of the properties were determined by CBRE Limited and Cushman & Wakefield K.K. (31 March 2018: CBRE Limited, 1 April 2017: Colliers International (Hong Kong) Limited).

(f) Acquisition of the Japan Properties

On 25 May 2018, the Group acquired an effective interest of 98.47% in a portfolio of six freehold commercial real estate located in Tokyo, Chiba and Yokohama, Japan from MJOF Pte. Ltd, a related party of the Group.

The acquisition is part of the Group's ongoing business development and is in line with the Group's strategy to better diversify its portfolio through entry into a market that provides attractive commercial real estate acquisition opportunities with largely freehold land tenure and at relatively higher yield spread against the local cost of funds.

14. Plant and Equipment

	Computer equipment S$'000	Other fixed assets S$'000	Total S$'000
Group			
2019			
Cost			
Beginning of the financial year	**1,481**	**3,260**	**4,741**
Additions	**118**	**1,311**	**1,429**
Disposals/Write-offs	**(34)**	**–**	**(34)**
Translation difference on consolidation	**38**	**88**	**126**
End of the financial year	**1,603**	**4,659**	**6,262**
Accumulated depreciation			
Beginning of the financial year	**1,262**	**1,001**	**2,263**
Depreciation charge	**139**	**678**	**817**
Disposals/Write-offs	**(34)**	**–**	**(34)**
Translation difference on consolidation	**33**	**25**	**58**
End of the financial year	**1,400**	**1,704**	**3,104**
Net book value			
End of the financial year	**203**	**2,955**	**3,158**

14. **Plant and Equipment** (continued)

	Computer equipment S$'000	Other fixed assets S$'000	Total S$'000
Group			
2018			
Cost			
Beginning of the financial year	1,664	1,877	3,541
Additions	65	1,564	1,629
Disposals/Write-offs	(118)	(33)	(151)
Translation difference on consolidation	(130)	(148)	(278)
End of the financial year	1,481	3,260	4,741
Accumulated depreciation			
Beginning of the financial year	1,290	546	1,836
Depreciation charge	167	549	716
Disposals/Write-offs	(88)	(33)	(121)
Translation difference on consolidation	(107)	(61)	(168)
End of the financial year	1,262	1,001	2,263
Net book value			
End of the financial year	219	2,259	2,478
Beginning of the financial year	374	1,331	1,705

15. **Investments in Subsidiaries**

	MNACT		
	31 March		1 April
	2019 S$'000	2018 S$'000	2017 S$'000
Equity investments at cost	**1,119,907**	1,100,262	1,087,935
Loans to subsidiaries	**1,462,742**	1,221,197	1,255,512
	2,582,649	2,321,459	2,343,447

The loans to subsidiaries are unsecured, interest-free and with no fixed repayment terms and are intended to be a long-term source of additional capital for the subsidiaries. Settlement of these loans is neither planned nor likely to occur in the foreseeable future. Accordingly, the Manager considers these loans to be part of the Trust's net investment in the subsidiaries and has accounted for these loans in accordance with Note 2.8.

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15. Investments in Subsidiaries (continued)

The Group has the following significant subsidiaries as at 31 March 2019 and 2018 and 1 April 2017:

Name of subsidiary	Principal activities	Country of incorporation	Effective interest held by the Group		
			31 March		1 April
			2019	2018	2017
			%	%	%
Festival Walk (2011) Limited[a]	Property investment	Hong Kong SAR	**100.00**	100.00	100.00
HK Gateway Plaza Company Limited[b]	Property investment	Hong Kong SAR	**100.00**	100.00	100.00
Shanghai Zhan Xiang Real Estate Company Limited[b]	Property investment	China	**100.00**	100.00	100.00
Tsubaki Tokutei Mokuteki Kaisha[c]	Property investment	Japan	**98.47**	–	–

(a) Audited by PricewaterhouseCoopers, Hong Kong
(b) Audited by PricewaterhouseCoopers Zhong Tian, China
(c) Audited by PricewaterhouseCoopers Aarata LLC, Japan

On 25 May 2018, the Group acquired 98.47% interest in Tsubaki Tokutei Mokuteki Kaisha. Accordingly, at the reporting date, the Group only had one subsidiary with non-controlling interest of 1.53%. The non-controlling interest is not material to the Group.

The Group does not have any other subsidiary that has non-controlling interests that are material to the Group. Thus no summarised financial information of subsidiaries with non-controlling interests are being presented.

16. Trade and Other Payables

	Group			MNACT		
	31 March		1 April	**31 March**		1 April
	2019	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
Current						
Trade payables	**851**	445	1,134	**50**	96	76
Accruals	**20,333**	20,094	24,180	**1,814**	1,936	2,328
Amounts due to subsidiaries (non-trade)	**–**	–	–	**55**	54	55
Amounts due to related parties (trade)	**10,749**	9,554	9,271	**7,014**	6,338	5,983
Amount due to a related party (non-trade) (Note 9)	**62**	27	54,437	**62**	27	–
Tenancy deposits and advance rental	**48,434**	45,359	47,428	**–**	–	–
Other deposits	**988**	1,197	1,150	**–**	–	–
Interest payable	**8,285**	8,402	8,598	**–**	–	–
Other payables	**3,479**	2,225	2,395	**–**	–	–
	93,181	87,303	148,593	**8,995**	8,451	8,442
Non-current						
Tenancy deposits and advance rental	**99,687**	60,410	58,558	**–**	–	–
	192,868	147,713	207,151	**8,995**	8,451	8,442

16. Trade and Other Payables (continued)

Accruals include accrued operating and capital expenditures.

Included in trade amounts due to related parties are amounts due to the Property Manager of S$3,735,000 (31 March 2018: S$3,215,000, 1 April 2017: S$3,280,000) and the Manager of S$7,014,000 (31 March 2018: S$6,338,000, 1 April 2017: S$5,983,000).

As at 1 April 2017, amount due to a related party (non-trade), Mapletree India China Fund Ltd. ("MICF"), related to a cash receipt of RMB264,860,000, equivalent to S$54,437,000, which was released from the China courts to a subsidiary company HK Gateway Plaza Company Limited ("HKGW"), following the resolution in favour of HKGW of the Litigation Action in the China courts between Beijing Bestride Real Estate Development Co. Ltd. and HKGW. As at 31 March 2018, this amount had been fully paid to MICF.

The non-trade amounts due to subsidiaries and a related party are unsecured, interest-free and repayable on demand.

17. Borrowings

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Current			
Bank loans	**192,887**	83,906	163,473
Medium-term notes	**95,018**	–	–
	287,905	83,906	163,473
Non-current			
Bank loans	**1,792,193**	1,578,098	1,667,792
TMK bonds	**77,787**	–	–
Medium-term notes	**719,783**	706,148	733,411
Gross borrowings	**2,877,668**	2,368,152	2,564,676
Less: Unamortised transaction costs	**(9,764)**	(7,067)	(8,520)
Net borrowings	**2,867,904**	2,361,085	2,556,156
Represented by:			
Current position	**287,582**	83,801	163,143
Non-current position	**2,580,322**	2,277,284	2,393,013
Percentage of total borrowings to net asset value	**62.5%**	60.7%	70.3%

The above borrowings are unsecured except for the TMK bonds and certain bank loans amounting to S$450,409,000 (31 March 2018 and 1 April 2017: nil), which are secured over the Japan Properties (Note 13).

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17. Borrowings (continued)

(a) Maturity of borrowings

The bank loans mature between 2020 and 2025 (31 March 2018: 2018 and 2023, 1 April 2017: 2017 and 2021), TMK bonds mature between 2024 and 2025, and medium-term notes mature between 2020 and 2027 (31 March 2018 and 1 April 2017: 2020 and 2023).

(b) Interest rates

The weighted average effective interest rates per annum are as follows:

	31 March 2019 %	31 March 2018 %	1 April 2017 %
Group			
Bank loans	**2.41**	2.43	2.35
TMK bonds	**0.41**	–	–
Medium-term notes	**3.35**	3.30	3.30

(c) Interest rate risks

The exposure of the borrowings of the Group at the reporting dates (before taking into account the derivatives to swap the floating rates to fixed rates) to interest rate changes and the contractual repricing dates are as follows:

	Variable rates 1 to 6 months S$'000	Fixed rates 1 to 5 years S$'000	Fixed rates more than 5 years S$'000	Total S$'000
Group				
31 March 2019				
Borrowings	**1,977,541**	**94,963**	**795,400**	**2,867,904**
31 March 2018				
Borrowings	1,656,510	92,390	612,185	2,361,085
1 April 2017				
Borrowings	1,824,864	100,414	630,878	2,556,156

(d) Carrying amounts and fair values

The carrying amount of the current and non-current bank loans and TMK bonds, which are at variable market rates, approximate their fair values at the reporting date.

The fair value of the current and non-current fixed-rate medium-term notes of S$821,785,000 (31 March 2018: S$710,772,000, 1 April 2017: S$735,116,000) is determined from adjusted quoted prices and is within Level 2 of the fair value hierarchy.

17. Borrowings (continued)

(e) Medium-term notes

In May 2013, the Group established, together with DBS Trustee Limited, in its capacity as Trustee of MNACT ("MNACT Trustee"), a US$1,500,000,000 Euro Medium Term Securities Programme ("MTN Programme") via its subsidiaries, Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd. ("MNACT S-TCo") and Mapletree North Asia Commercial Treasury Company (HKSAR) Limited ("MNACT HK-TCo").

Under the MTN Programme, MNACT Trustee, MNACT S-TCo and MNACT HK-TCo (collectively "the Issuers") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Medium-term notes or perpetual securities in series or tranches in Singapore Dollars or any other currency.

Each series or tranche of Medium-term 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 Medium-term notes shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuers and rank pari passu and without any preference among themselves and equally with all other unsecured obligations of the Issuers, from time to time outstanding. All sums payable in respect of the Medium-term notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MNACT.

Total Medium-term notes outstanding as at 31 March 2019 under the MTN Programme was S$814,801,000 (31 March 2018: S$706,148,000, 1 April 2017: S$733,411,000) consisting of:

Maturity date		Fixed interest rate	Interest payment in arrear	**31 March 2019 '000**	31 March 2018 '000	1 April 2017 '000
(i)	8 September 2021	3.20%	Semi-annually	**S$75,000**	S$75,000	S$75,000
(ii)	11 February 2020	2.80%	Quarterly	**HK$550,000**	HK$550,000	HK$550,000
(iii)	9 March 2022	3.43%	Semi-annually	**S$100,000**	S$100,000	S$100,000
(iv)	9 November 2022	3.96%	Semi-annually	**S$100,000**	S$100,000	S$100,000
(v)	22 March 2023	3.50%	Semi-annually	**S$120,000**	S$120,000	S$120,000
(vi)	20 April 2023	3.25%	Semi-annually	**HK$600,000**	HK$600,000	HK$600,000
(vii)	20 September 2023	3.00%	Semi-annually	**HK$700,000**	HK$700,000	HK$700,000
(viii)	11 March 2027	3.65%	Semi-annually	**HK$580,000**	–	–

(f) TMK Bonds

The TMK bonds of JPY6,390 million as at 31 March 2019 were issued on 22 May 2018, bear floating interest rate of 3 Month JPY Tibor plus spread (0.32% and 0.36%) per annum and mature between 2024 and 2025.

(g) Undrawn committed borrowing facilities

As at 31 March 2019, the Group had unutilised facilities of S$235,872,000 (2018: S$143,942,000) available to meet its future obligations.

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18. Deferred Tax

	Group	
	2019 S$'000	2018 S$'000
Beginning of the financial year	**92,329**	71,193
Tax charge to profit or loss (Note 7(a))	**32,452**	17,658
Tax charge to other comprehensive income (Note 7(c))	**(4,959)**	6,751
Translation difference on consolidation	**67**	(3,273)
End of the financial year	**119,889**	92,329

The movement in deferred income tax liabilities prior to offsetting of balances within the same tax jurisdiction is as follows:

	Accelerated tax depreciation S$'000	Change in fair value of investment properties S$'000	Change in fair value of derivative financial instruments S$'000	Unremitted earnings S$'000	Total S$'000
Group					
2019					
Beginning of the financial year	**47,052**	**38,285**	**5,903**	**1,089**	**92,329**
Tax charge to profit or loss (Note 7(a))	**9,186**	**21,534**	**–**	**1,732**	**32,452**
Tax charge to other comprehensive income (Note 7(c))	**–**	**–**	**(4,959)**	**–**	**(4,959)**
Translation difference on consolidation	**1,263**	**(1,153)**	**–**	**(43)**	**67**
End of the financial year	**57,501**	**58,666**	**944**	**2,778**	**119,889**
2018					
Beginning of the financial year	43,810	28,017	(848)	214	71,193
Tax charge to profit or loss (Note 7(a))	7,013	9,784	–	861	17,658
Tax charge to other comprehensive income (Note 7(c))	–	–	6,751	–	6,751
Translation difference on consolidation	(3,771)	484	–	14	(3,273)
End of the financial year	47,052	38,285	5,903	1,089	92,329

19. General Reserve

Shanghai Zhan Xiang Real Estate Company Limited, an entity incorporated in China, is required to transfer 10% of its profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders. This general reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

20. Hedging Reserve

	Group			
	2019			2018
	Interest rate risk S$'000	**Interest rate/foreign exchange risk S$'000**	**Total S$'000**	Total S$'000
Beginning of the financial year	**5,718**	**10,286**	**16,004**	15,953
Fair value changes	**(15,139)**	**(17,812)**	**(32,951)**	38,576
Tax charge (Note 7(c))	**1,443**	**3,516**	**4,959**	(6,751)
Reclassification to profit or loss				
– Finance costs (Note 6)	**(550)**	**(5,880)**	**(6,430)**	2,660
– Foreign exchange	**–**	**12,958**	**12,958**	(34,434)
Less: Non-controlling interests	**106**	**–**	**106**	–
End of the financial year	**(8,422)**	**3,068**	**(5,354)**	16,004

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20. Hedging Reserve (continued)

	MNACT	
	2019	2018
	Foreign exchange risk	Total
	S$'000	S$'000
Beginning of the financial year	**850**	327
Fair value changes, net of tax	**(913)**	1,816
Reclassification to profit or loss	**309**	(1,293)
End of the financial year	**246**	850

21. Foreign Currency Translation Reserve

	Group	
	2019	2018
	S$'000	S$'000
Beginning of the financial year	**58,914**	206,136
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	**7,655**	(144,054)
Reclassification to profit or loss	**(3,794)**	(3,168)
Less: Non-controlling interests	**2**	–
End of the financial year	**62,777**	58,914

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities and the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises from HKD, RMB and JPY.

22. Units in Issue

	Group and MNACT 31 March	
	2019	2018
	'000	'000
Beginning of the financial year	**2,826,268**	2,795,382
Units issued for		
– settlement of Management fees	**30,655**	30,886
– settlement of acquisition fees	**5,367**	–
– private placement	**311,602**	–
End of the financial year	**3,173,892**	2,826,268

22. Units in Issue (continued)

(i) During the financial year, MNACT issued, in respect of the payment of Management fees to the Manager and the Property Manager, 30,655,112 (2018: 30,886,272) new units at issue prices ranging from S$1.13 to S$1.16 (2018: S$1.00 to S$1.21) per unit. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant quarter in which the management fees accrued.

(ii) 5,366,910 new units (2018: nil) at an issue price of S$1.06 (2018: nil) per unit were issued during the financial year, in respect of the payment of Manager's acquisition fee for the acquisition of the Japan Properties.

(iii) 311,602,000 new units (2018: nil) at an issue price of S$1.06 (2018: nil) per unit were issued during the financial year, in respect of a private placement exercise for the acquisition of the Japan Properties.

Each unit in MNACT represents an undivided interest in MNACT. 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 MNACT by receiving a share of all net cash proceeds derived from the realisation of the assets of MNACT less any liabilities, in accordance with their proportionate interests in MNACT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MNACT be transferred to him; and

- Attend all Unitholders' meetings. The Trustee or the Manager (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 MNACT) may 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 MNACT 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 MNACT. 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 MNACT exceed its assets.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

23. Commitments

(a) Capital commitments

Development expenditures contracted for at the reporting date but not recognised in the financial statements amounted to S$1,228,000 (31 March 2018: S$687,000, 1 April 2017: S$1,415,000).

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

The Group leases out its investment properties. The future minimum lease receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Not later than 1 year	**325,799**	261,539	255,011
Later than 1 year but not later than 5 years	**640,280**	439,821	440,781
Later than 5 years	**43,067**	21,446	56,869
	1,009,146	722,806	752,661

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purpose of the above disclosure, the prevailing lease rentals are used.

The future minimum lease receivables under non-cancellable leases exclude the portion of lease receivables which is computed based on a percentage of the sales achieved by some of the lessees. The contingent lease receivables received during the financial year and recognised in the Group's revenue are disclosed in Note 3.

24. Financial Risk Management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps, cross currency interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

24. Financial Risk Management (continued)

(a) Market risk

(i) Currency risk

The Manager's investment strategy includes investing in the North Asia region. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts strategies that may include:

- the use of foreign currency denominated borrowings to match the currency of the investment asset as a natural currency hedge;
- the use of cross currency interest rate swaps to swap a portion of borrowings and interest in another currency into the currency of the investment asset to reduce the underlying currency exposure on the borrowings and interest; and
- entering into currency forward contracts to hedge the foreign currency income receivable from the offshore assets, back into Singapore Dollars.

The Group's currency exposure is as follows:

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
Group						
31 March 2019						
Financial assets						
Cash and bank balances	**59,325**	**12,591**	**76,781**	**28,641**	**1,495**	**178,833**
Trade and other receivables and other current assets[1]	**471**	**4,638**	**4,181**	**83**	**–**	**9,373**
Derivative financial instruments	**982**	**15,500**	**–**	**261**	**–**	**16,743**
	60,778	**32,729**	**80,962**	**28,985**	**1,495**	**204,949**
Financial liabilities						
Trade and other payables	**(9,374)**	**(93,785)**	**(46,662)**	**(42,743)**	**(304)**	**(192,868)**
Derivative financial instruments	**(737)**	**(10,038)**	**–**	**(7,559)**	**–**	**(18,334)**
Borrowings	**(595,000)**	**(1,672,214)**	**(45,107)**	**(447,091)**	**(108,492)**	**(2,867,904)**
	(605,111)	**(1,776,037)**	**(91,769)**	**(497,393)**	**(108,796)**	**(3,079,106)**
Net financial liabilities	**(544,333)**	**(1,743,308)**	**(10,807)**	**(468,408)**	**(107,301)**	**(2,874,157)**
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	**(50,727)**	**1,643,695**	**12,485**	**468,409**	**–**	
Currency forwards	**–**	**(61,291)**	**(36,315)**	**(20,795)**	**–**	
Cross currency interest rate swaps#	**595,000**	**100,201**	**–**	**–**	**108,492**	
Net currency exposure	**(60)**	**(60,703)***	**(34,637)***	**(20,794)***	**1,191**	

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24. Financial Risk Management (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

	SGD S$'000	HKD S$'000	RMB S$'000	USD S$'000	Total S$'000
Group					
31 March 2018					
Financial assets					
Cash and bank balances	86,857	18,140	71,564	1,420	177,981
Trade and other receivables and other current assets[1]	538	4,808	4,130	4	9,480
Derivative financial instruments	1,093	38,474	–	–	39,567
	88,488	61,422	75,694	1,424	227,028
Financial liabilities					
Trade and other payables	(8,404)	(91,163)	(48,126)	(20)	(147,713)
Derivative financial instruments	(244)	(2,696)	–	–	(2,940)
Borrowings	(395,000)	(1,811,677)	(48,933)	(105,475)	(2,361,085)
	(403,648)	(1,905,536)	(97,059)	(105,495)	(2,511,738)
Net financial liabilities	(315,160)	(1,844,114)	(21,365)	(104,071)	(2,284,710)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(79,877)	1,846,649	21,430	–	
Currency forwards	–	(63,525)	(14,602)	–	
Cross currency interest rate swaps#	395,000	–	–	105,471	
Net currency exposure	(37)	(60,990)*	(14,537)*	1,400	
1 April 2017					
Financial assets					
Cash and bank balances	96,476	11,351	125,513	1,517	234,857
Trade and other receivables and other current assets[1]	421	4,648	50,206	–	55,275
Derivative financial instruments	508	7,696	623	–	8,827
	97,405	23,695	176,342	1,517	298,959
Financial liabilities					
Trade and other payables	(8,399)	(100,547)	(98,205)	–	(207,151)
Derivative financial instruments	(181)	(13,777)	–	–	(13,958)
Borrowings	(395,000)	(1,977,018)	(70,485)	(113,653)	(2,556,156)
	(403,580)	(2,091,342)	(168,690)	(113,653)	(2,777,265)
Net financial (liabilities)/assets	(306,175)	(2,067,647)	7,652	(112,136)	(2,478,306)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(88,824)	2,067,880	(7,639)	–	
Currency forwards	–	(52,151)	(14,193)	–	
Cross currency interest rate swaps#	395,000	–	–	113,653	
Net currency exposure	1	(51,918)*	(14,180)*	1,517	

[1] Excludes prepayments.

24. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

MNACT's currency exposure is as follows:

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
MNACT						
31 March 2019						
Financial assets						
Cash and bank balances	**59,323**	**172**	**1,679**	**1**	**1,487**	**62,662**
Trade and other receivables	**5,192**	**506**	**–**	**–**	**611**	**6,309**
Derivative financial instruments	**982**	**–**	**–**	**–**	**–**	**982**
	65,497	**678**	**1,679**	**1**	**2,098**	**69,953**
Financial liabilities						
Trade and other payables	**(8,995)**	**–**	**–**	**–**	**–**	**(8,995)**
Derivative financial instruments	**(737)**	**–**	**–**	**–**	**–**	**(737)**
	(9,732)	**–**	**–**	**–**	**–**	**(9,732)**
Net financial assets	**55,765**	**678**	**1,679**	**1**	**2,098**	**60,221**
Less: Net financial assets denominated in MNACT's functional currency	**(55,765)**	**–**	**–**	**–**	**–**	
Add: Highly probable forecast transactions	**–**	**61,291**	**36,315**	**20,795**	**–**	
Less: Currency forwards	**–**	**(61,291)**	**(36,315)**	**(20,795)**	**–**	
Net currency exposure	**–**	**678**	**1,679**	**1**	**2,098**	

	SGD S$'000	HKD S$'000	RMB S$'000	USD S$'000	Total S$'000
MNACT					
31 March 2018					
Financial assets					
Cash and bank balances	86,855	2,535	64	1,413	90,867
Trade and other receivables	4,476	492	–	599	5,567
Derivative financial instruments	1,093	–	–	–	1,093
	92,424	3,027	64	2,012	97,527
Financial liabilities					
Trade and other payables	(8,451)	–	–	–	(8,451)
Derivative financial instruments	(244)	–	–	–	(244)
	(8,695)	–	–	–	(8,695)
Net financial assets	83,729	3,027	64	2,012	88,832
Less: Net financial assets denominated in MNACT's functional currency	(83,729)	–	–	–	
Add: Highly probable forecast transactions	–	63,525	14,602	–	
Less: Currency forwards	–	(63,525)	(14,602)	–	
Net currency exposure	–	3,027	64	2,012	

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

24. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	HKD S$'000	RMB S$'000	USD S$'000	Total S$'000
MNACT					
1 April 2017					
Financial assets					
Cash and bank balances	96,475	233	13	123	96,844
Trade and other receivables	4,169	228	–	639	5,036
Derivative financial instruments	508	–	–	–	508
	101,152	461	13	762	102,388
Financial liabilities					
Trade and other payables	(8,442)	–	–	–	(8,442)
Derivative financial instruments	(181)	–	–	–	(181)
	(8,623)	–	–	–	(8,623)
Net financial assets	92,529	461	13	762	93,765
Less: Net financial assets denominated in MNACT's functional currency	(92,529)	–	–	–	
Add: Highly probable forecast transactions	–	52,151	14,193	–	
Less: Currency forwards	–	(52,151)	(14,193)	–	
Net currency exposure	–	461	13	762	

\# At 31 March 2019, the Group had cross currency interest rate swaps to swap S$395.0 million (31 March 2018 and 1 April 2017: S$395.0 million) Medium-term notes to HK$2,270.0 million (31 March 2018 and 1 April 2017: HK$2,270.0 million), and US$80.0 million (31 March 2018 and 1 April 2017: US$80.0 million) bank loan to HK$623.2 million (31 March 2018 and 1 April 2017: HK$623.2 million), S$200.0 million bank loan to JPY16,460.0 million and HK$580.0 million Medium-term note to JPY8,281.8 million.

* Net currency exposure of S$60.7 million, S$34.6 million and S$20.8 million (31 March 2018: S$61.0 million, S$14.5 million and nil, 1 April 2017: S$51.9 million, S$14.2 million and nil) for HKD, RMB and JPY respectively mainly relates to currency forward contracts entered into to hedge future foreign currency income receivable from its foreign subsidiaries in FY2019/2020 (31 March 2018: FY2018/2019, 1 April 2017: FY2017/2018), back into SGD.

24. Financial Risk Management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's main foreign currency exposure is in HKD, RMB and JPY. If the HKD, RMB and JPY change against the SGD by 5% (2018: 5.0%) with all other variables including tax being held constant, the effects on profit after tax and Unitholders' funds for the year arising from the net financial asset/liability position will be as follows:

	Group Increase/(Decrease)		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
HKD against SGD			
– strengthened	**(3,035)**	(3,049)	(2,596)
– weakened	**3,035**	3,049	2,596
RMB against SGD			
– strengthened	**(1,732)**	(727)	(709)
– weakened	**1,732**	727	709
JPY against SGD			
– strengthened	**(1,040)**	–	–
– weakened	**1,040**	–	–

MNACT's foreign currency exposure is not significant.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. 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. The Group has no significant interest-bearing assets.

The Group's policy is to maintain at least 50% of its borrowings in fixed-rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps and cross currency interest rate swaps.

For variable rate financial liabilities and interest rate derivative instruments used for hedging, it is estimated that an increase of 50 basis point (2018: 50 basis point) per annum would lead to a reduction in the Unitholders' funds (including hedging reserve) of S$18,202,000 (2018: S$7,081,000). A decrease in 50 basis point in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, and has not taken into account the effects of qualifying borrowing costs allowed for capitalisation, the associated tax effects and share of non-controlling interests.

Notes to the Financial Statements

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24. Financial Risk Management (continued)

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. The risk is also mitigated due to customers placing security deposits or furnishing bankers guarantees for lease rentals. Cash and short-term bank deposits are placed with financial institutions which are regulated.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statements of Financial Position.

The Group's and MNACT's major classes of financial assets are cash and bank balances and trade and other receivables.

The credit risk for trade receivables is as follows:

	Group			MNACT		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
By geographical areas						
Singapore	**395**	395	366	**395**	395	366
Hong Kong SAR	**445**	256	585	**–**	–	–
China	**156**	156	43,977	**–**	–	–
	996	807	44,928	**395**	395	366

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which are regulated and with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

24. **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			MNACT		
	31 March		1 April	31 March		1 April
	2019	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'000
Past due 0 to 3 months	**500**	345	12,776	**–**	–	–
Past due 3 to 6 months	**81**	7	27,379	**–**	–	–
Past due over 6 months	**7**	9	1,099	**–**	–	–
	588	361	41,254	**–**	–	–

Trade receivables as at 1 April 2017 mainly related to rentals outstanding due to clarifications pending on the value added tax implementation at Gateway Plaza. Clarification from the local tax authorities had since been obtained and outstanding rentals collected during the financial year ended 31 March 2018.

Management assessed that no allowance for impairment is required in respect of trade receivables in the view of the Group's credit management policy, where the outstanding account receivables balances can be offset by tenancy deposits in the event of default. Hence, the expected credit losses for the Group is not material.

There were no allowances for impairment provided based on the collection trend in the last 3 financial years. MNACT will monitor the current approach of recognising impairment allowances based on lifetime expected losses i.e. credit loss expected over the life of the receivables and adjusted for current and forward-looking estimates. In general, the Group's provisioning policy under SFRS(I) does not differ from existing practice under SFRS due to the ageing profile of its receivables.

As at 31 March 2019, 31 March 2018 and 1 April 2017, the Group and MNACT had no trade receivables which it determined to be impaired and there are no allowances for impairment provided for.

(c) **Liquidity risk**

The Manager monitors and maintains a sufficient level of cash, bank balances and adequate committed credit facilities, as part of the Manager's prudent liquidity risk management. As at 31 March 2019, the Group has undrawn committed borrowing facilities of S$235,872,000 (2018: S$143,942,000) and untapped balance of S$1,219,373,000 (2018: S$1,271,434,000) from the MTN Programme to meet operational expenses and the servicing of financial obligations.

The Manager also monitors and observes the CCIS issued by the MAS concerning the leverage limit as well as bank covenants imposed by the banks on the various borrowings.

The table below analyses the maturity profile of the Group's and MNACT's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

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24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
31 March 2019				
Derivative financial instruments:				
Net-settled interest rate swaps				
– Net payments	**(4,323)**	**(2,783)**	**(4,017)**	**(782)**
Gross-settled cross currency interest rate swaps				
– Receipts	**8,380**	**8,357**	**13,782**	**–**
– Payments	**(4,039)**	**(4,028)**	**(3,752)**	**–**
Gross-settled currency forwards				
– Receipts	**38,168**	**–**	**–**	**–**
– Payments	**(38,905)**	**–**	**–**	**–**
Trade and other payables	**(93,181)**	**(25,114)**	**(42,048)**	**(32,525)**
Borrowings	**(362,681)**	**(274,925)**	**(1,936,424)**	**(562,647)**
	(456,581)	**(298,493)**	**(1,972,459)**	**(595,954)**
31 March 2018				
Derivative financial instruments:				
Net-settled interest rate swaps				
– Net payments	(392)	(393)	(9)	–
Gross-settled cross currency interest rate swaps				
– Receipts	2,393	2,400	3,452	–
– Payments	(2,784)	(2,791)	(4,015)	–
Gross-settled currency forwards				
– Receipts	26,895	–	–	–
– Payments	(29,418)	–	–	–
Trade and other payables	(87,303)	(22,463)	(32,685)	(5,262)
Borrowings	(147,582)	(441,169)	(1,683,379)	(321,820)
	(238,191)	(464,416)	(1,716,636)	(327,082)
1 April 2017				
Derivative financial instruments:				
Net-settled interest rate swaps				
– Net payments	(1,648)	(1,613)	(1,008)	–
Gross-settled cross currency interest rate swaps				
– Receipts	12,611	12,611	30,979	4,085
– Payments	(13,702)	(13,702)	(32,916)	(4,084)
Gross-settled currency forwards				
– Receipts	23,903	–	–	–
– Payments	(24,084)	–	–	–
Trade and other payables	(148,593)	(23,749)	(31,659)	(3,150)
Borrowings	(229,895)	(447,894)	(1,669,193)	(473,746)
	(381,408)	(474,347)	(1,703,797)	(476,895)

24. Financial Risk Management (continued)

(c) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
MNACT				
31 March 2019				
Derivative financial instruments:				
Gross-settled currency forwards				
– Receipts	**38,168**	**–**	**–**	**–**
– Payments	**(38,905)**	**–**	**–**	**–**
Trade and other payables	**(8,995)**	**–**	**–**	**–**
	(9,732)	**–**	**–**	**–**
31 March 2018				
Derivative financial instruments:				
Gross-settled currency forwards				
– Receipts	26,895	–	–	–
– Payments	(29,418)	–	–	–
Trade and other payables	(8,451)	–	–	–
	(10,974)	–	–	–
1 April 2017				
Derivative financial instruments:				
Gross-settled currency forwards				
– Receipts	23,903	–	–	–
– Payments	(24,084)	–	–	–
Trade and other payables	(8,442)	–	–	–
	(8,623)	–	–	–

Notes to the Financial Statements

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24. Financial Risk Management (continued)

(d) Capital management

The primary objective of the Manager's capital management is to ensure it maintains an optimal capital structure within the borrowing limit set out in the CCIS issued by the MAS. The Manager seeks to maintain an optimal capital structure to balance the cost of capital and the returns to Unitholders. There were no changes to the Manager's approach to capital management during the financial year.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CCIS ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively, the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. The Group has complied with the Aggregate Leverage requirement for the financial years ended 31 March 2019 and 31 March 2018.

The aggregate leverage ratio is calculated as total borrowings divided by total assets.

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Total borrowings	**2,861,057***	2,361,085	2,556,156
Total assets	**7,808,082***	6,522,749	6,528,920
Aggregate leverage ratio	**36.6%**	36.2%	39.2%

* Excludes share attributable to non-controlling interests.

The Group and MNACT are in compliance with the borrowing limit requirement imposed by the CCIS and all externally imposed capital requirements for the financial years ended 31 March 2019 and 31 March 2018.

(e) Fair value measurements

The following table presents derivative financial instruments measured and carried at fair value at reporting dates and classified by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

24. Financial Risk Management (continued)

(e) Fair value measurements (continued)

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

	Group			MNACT		
	31 March		1 April	31 March		1 April
	2019 S$'000	2018 S$'000	2017 S$'000	**2019 S$'000**	2018 S$'000	2017 S$'000
Level 2						
Assets						
Derivative financial instruments	**16,743**	39,567	8,827	**982**	1,093	508
Liabilities						
Derivative financial instruments	**(18,334)**	(2,940)	(13,958)	**(737)**	(244)	(181)

The fair values of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the reporting date. The fair values of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows, using assumptions based on market conditions existing at the reporting date.

The carrying value of cash and bank balances, trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for non-current fixed rate borrowings as disclosed in Note 17(d).

(f) Categories of financial assets and financial liabilities

The following table sets out the different categories of financial instruments as at the reporting date:

	Group			MNACT		
	31 March		1 April	31 March		1 April
	2019 S$'000	2018 S$'000	2017 S$'000	**2019 S$'000**	2018 S$'000	2017 S$'000
Financial derivative assets at fair value through profit or loss	**16,743**	39,567	8,827	**982**	1,093	508
Financial derivative liabilities at fair value through profit or loss	**(18,334)**	(2,940)	(13,958)	**(737)**	(244)	(181)
Loans and receivables[1]	**–**	187,461	290,132	**–**	96,434	101,880
Financial assets at amortised cost[1]	**188,206**	–	–	**68,971**	–	–
Financial liabilities at amortised cost	**(3,060,772)**	(2,508,798)	(2,763,307)	**(8,995)**	(8,451)	(8,442)

[1] Excludes prepayments.

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25. Parent and Ultimate Parent

For financial reporting purposes under SFRS(I) 10 *Consolidated Financial Statements*, the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd., incorporated in Singapore. The ultimate parent is Temasek Holdings (Private) Limited, incorporated in Singapore.

26. Significant Related Party Transactions

For the purposes 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 or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the parent.

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties as follows:

	Group		MNACT	
	2019	2018	**2019**	2018
	S$'000	S$'000	**S$'000**	S$'000
Manager's management fees paid/payable	**23,092**	22,048	**23,092**	22,048
Japan asset management fee	**2,846**	–	**–**	–
Property Manager's management fees paid/payable	**15,360**	13,458	**–**	–
Acquisition fees paid	**5,689**	–	**5,689**	–
Lease rental received/receivable	**22,452**	18,807	**–**	–
Project management fee paid/payable	**–**	202	**–**	–
Property management reimbursements	**9,613**	9,279	**–**	–
Interest expense and financing fees paid/payable	**10,608**	9,946	**–**	–
Subscription of MNACT's units by a related party	**2,968**	–	**2,968**	–

27. Segment Information

The Group has determined the operating segments based on the reports reviewed by Management that are used to make strategic decisions. Management comprises the Chief Executive Officer and the Chief Financial Officer.

Management considers the business from a geographic segment perspective. Geographically, Management manages and monitors the business in North Asia, primarily in Hong Kong SAR, in China and in Japan. The Group is in the business of investing, directly or indirectly, in a diversified portfolio of income-producing real estate in the North Asia region which is used primarily for commercial purposes (including real estate used predominantly for retail and/or office purposes), as well as real estate-related assets.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance costs are not allocated to segments, as the treasury activities are centrally managed by the Group.

27. Segment Information (continued)

The segment information provided to Management for the reportable segments for the financial year ended 31 March 2019 is as follows:

	Hong Kong SAR S$'000	China S$'000	Japan S$'000	Others* S$'000	Total S$'000
Gross revenue	**253,996**	**112,241**	**42,450**	**–**	**408,687**
Net property income	**203,985**	**92,397**	**32,648**	**–**	**329,030**
Interest income					**1,898**
Manager's management fees					**(25,938)**
Trustee's fee					**(737)**
Other trust expenses					**(1,495)**
Net foreign exchange gain					**2,792**
Finance costs					**(74,264)**
Net change in fair value of financial derivatives					**(604)**
Net change in fair value of investment properties	**326,796**	**133,637**	**4,719**	**–**	**465,152**
Profit before income tax					**695,834**
Income tax expenses					**(61,422)**
Profit after income tax					**634,412**
Other segment items					
Capital expenditure					
– Investment properties@	**3,440**	**(331)**	**290**	**–**	**3,399**
– Plant and equipment	**1,429**	**–**	**–**	**–**	**1,429**
	4,869	**(331)**	**290**	**–**	**4,828**
Segment assets					
– Investment properties#	**4,966,850**	**1,859,835**	**782,858**	**–**	**7,609,543**
– Other segment assets	**21,094**	**80,937**	**28,917**	**63,132**	**194,080**
	4,987,944	**1,940,772**	**811,775**	**63,132**	**7,803,623**
Derivative financial instruments					**16,743**
Consolidated total assets					**7,820,366**
Segment liabilities					
– Trade and other payables	**94,088**	**46,663**	**42,743**	**9,374**	**192,868**
– Current income tax liabilities					**31,216**
– Deferred tax liabilities					**119,889**
					343,973
Borrowings and Derivative financial instruments					**2,886,238**
Consolidated total liabilities					**3,230,211**

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

27. Segment Information (continued)

The segment information provided to Management for the reportable segments for the financial year ended 31 March 2018 is as follows:

	Hong Kong SAR S$'000	China S$'000	Others* S$'000	Total S$'000
Gross revenue	246,076	108,954	–	355,030
Net property income	197,396	89,754	–	287,150
Interest income				1,996
Manager's management fees				(22,048)
Trustee's fee				(651)
Other trust expenses				(1,469)
Net foreign exchange gain				5,317
Finance costs				(69,687)
Net change in fair value of financial derivatives				522
Net change in fair value of investment properties	338,449	78,673	–	417,122
Profit before income tax				618,252
Income tax expenses				(43,911)
Profit after income tax				574,341
Other segment items				
Capital expenditure				
– Investment properties@	4,637	314	–	4,951
– Plant and equipment	1,629	–	–	1,629
	6,266	314	–	6,580
Segment assets				
– Investment properties#	4,514,220	1,777,787	–	6,292,007
– Other segment assets	23,935	75,831	91,409	191,175
	4,538,155	1,853,618	91,409	6,483,182
Derivative financial instruments				39,567
Consolidated total assets				6,522,749
Segment liabilities				
– Trade and other payables	91,182	48,125	8,406	147,713
– Current income tax liabilities				29,930
– Deferred tax liabilities				92,329
				269,972
Borrowings and Derivative financial instruments				2,364,025
Consolidated total liabilities				2,633,997

* Others segment comprises MNACT and a subsidiary, which are not reportable segments individually.
\# Investment properties contribute significantly to total non-current assets.
@ Included in additions are capitalised expenditure and amortisation of capitalised expenditure during the financial year.

The Group provides a single product/service - commercial business.

28. Financial Ratios

	Group	
	2019	2018
	%	%
Ratio of expenses to weighted average net assets[1]		
– including performance component of Manager's management fees	**0.67**	0.68
– excluding performance component of Manager's management fees	**0.64**	0.66
Ratio of total operating expenses to net asset value[2]	**2.35**	2.37
Portfolio turnover ratio[3]	**–**	–

[1] The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance costs, foreign exchange gain/(loss) and income tax expenses.

[2] The ratio is computed based on the total property expenses, which include fees and charges paid/payable to interested persons, Manager's management fees, trustee's fee and other trust expenses amounting to S$107,827,000 (2018: S$92,048,000) for the financial year and as a percentage of net asset value at the reporting date.

[3] In accordance with the formulae stated in the CCIS, the ratio reflects the number of times per year that a dollar of assets is reinvested. The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

29. Events Occurring After Reporting Date

The Manager announced a distribution of 1.956 cents per unit, which amounts to S$62,081,000, for the period from 1 January 2019 to 31 March 2019.

30. New or Amended Accounting Standards and Interpretations Effective for Future Financial Periods

Several new or amended standards and interpretations to existing standards are effective for annual periods beginning on or after 1 April 2019, and have not been applied in the preparation of the Group financial statements for the financial year ended 31 March 2019.

The new or amended standards and interpretations which are relevant for the Group are listed below, and the Group plans to adopt these standards and interpretations on the required effective date. These standards are not expected to have any significant effect on the financial statements of the Group.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

30. New or Amended Accounting Standards and Interpretations Effective for Future Financial Periods (continued)

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Leases	1 April 2019
Amendments to SFRS(I) 3	Business Combinations	1 April 2020

SFRS(I) 16 *Leases*

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group plans to adopt the new standard using the full retrospective approach which means that the cumulative impact of the adoption will be recognised in the opening Unitholders' funds at 1 April 2019 and comparative information for 2019 will be restated. The Group does not expect any significant impact on the financial statements arising from the adoption of this standard.

Amendments to SFRS(I) 3 *Business Combinations*

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

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

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

These amendments are applied to business combinations and assets acquisitions with acquisition date on or after 1 April 2020. Early application is permitted. The Group does not expect any significant impact from applying these amendments.

31. Authorisation of the Financial Statements

The financial statements were authorised for issue by the Manager and the Trustee on 6 May 2019.

Statistics of Unitholdings

AS AT 31 MAY 2019

Issued and Fully Paid Units

3,181,696,884 units (voting rights: one vote per unit)
Market Capitalisation: S$4,199,839,886.88 (based on closing price of S$1.320 per unit on 31 May 2019)

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	11	0.05	292	0.00
100 – 1,000	4,888	20.46	4,784,493	0.15
1,001 – 10,000	12,080	50.57	62,753,020	1.97
10,001 – 1,000,000	6,875	28.78	288,523,550	9.07
1,000,001 and above	33	0.14	2,825,635,529	88.81
Total	**23,887**	**100.00**	**3,181,696,884**	**100.00**

Location of Unitholders

Country	No. of Unitholders	%	No. of Units	%
Singapore	23,302	97.55	3,087,973,773	97.05
Malaysia	395	1.65	16,894,900	0.53
Others	190	0.80	76,828,211	2.42
Total	**23,887**	**100.00**	**3,181,696,884**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1.	Kent Assets Pte. Ltd.	718,661,000	22.59
2.	Citibank Nominees Singapore Pte Ltd	500,483,798	15.73
3.	DBS Nominees (Private) Limited	449,233,825	14.12
4.	HSBC (Singapore) Nominees Pte Ltd	287,203,242	9.03
5.	DBSN Services Pte. Ltd.	153,002,163	4.81
6.	Mapletree North Asia Commercial Trust Management Ltd.	139,106,573	4.37
7.	Raffles Nominees (Pte.) Limited	138,746,248	4.36
8.	Suffolk Assets Pte. Ltd.	133,086,000	4.18
9.	Mapletree North Asia Property Management Limited	69,279,311	2.17
10.	ABN Amro Clearing Bank N.V.	44,867,500	1.41
11.	BPSS Nominees Singapore (Pte.) Ltd.	36,566,751	1.15
12.	United Overseas Bank Nominees (Private) Limited	23,509,876	0.74
13.	DB Nominees (Singapore) Pte Ltd	21,455,103	0.67
14.	DBS Vickers Securities (Singapore) Pte Ltd	16,572,434	0.52
15.	OCBC Securities Private Limited	15,839,900	0.50
16.	UOB Kay Hian Private Limited	15,529,500	0.49
17.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	12,609,175	0.40
18.	NTUC Fairprice Co-operative Limited	6,000,000	0.19
19.	OCBC Nominees Singapore Private Limited	5,559,100	0.17
20.	Maybank Kim Eng Securities Pte. Ltd.	5,407,021	0.17
	Total	**2,792,718,520**	**87.77**

Statistics of Unitholdings

AS AT 31 MAY 2019

Substantial Unitholdings as at 31 May 2019

No.	Name of Company	No. of Units: Direct Interest	No. of Units: Deemed Interest	% of Total Issued Capital
1.	Temasek Holdings (Private) Limited[1]	–	1,087,223,596	34.17
2.	Fullerton Management Pte Ltd[1]	–	1,060,132,884	33.31
3.	Mapletree Investments Pte Ltd[2]	–	1,060,132,884	33.31
4.	Kent Assets Pte. Ltd.	718,661,000	–	22.59
5.	Schroders plc[3]	–	169,453,800	5.33

Notes:

[1] Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 718,661,000 units held by Kent Assets Pte. Ltd. ("**Kent**"), 133,086,000 units held by Suffolk Assets Pte. Ltd. ("**Suffolk**"), 139,106,573 units held by Mapletree North Asia Commercial Trust Management Ltd. ("**MNACTM**") and 69,279,311 units held by Mapletree North Asia Property Management Limited ("**MNAPM**"). In addition, Temasek is deemed to be interested in the 27,090,712 units in which its associated companies have direct or deemed interests. Kent and Suffolk are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MNACTM and MNAPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton which in turn wholly-owned subsidiary of Temasek. Each of MIPL and the associated company referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.

[2] MIPL is deemed to be interested in the 718,661,000 units held by Kent , 133,086,000 units held by Suffolk, 139,106,573 units held by MNACTM and 69,279,311 units held by MNAPM.

[3] Schroders plc is deemed to be interested in the 169,453,800 units held on behalf of clients as Investment Managers.

Unitholdings of the Directors of the Manager as at 21 April 2019

No.	Name	No. of Units: Direct Interest	No. of Units: Deemed Interest	% of Total Issued Capital
1.	Paul Ma Kah Woh	1,140,000	100,000	0.039
2.	Kevin Kwok	750,000	–	0.023
3.	Lok Vi Ming	–	190,000	0.005
4.	Lawrence Wong Liang Ying	–	–	–
5.	Michael Kok Pak Kuan	540,000	–	0.017
6.	Tan Su Shan	–	–	–
7.	Hiew Yoon Khong	830,000	3,950,000	0.150
8.	Chua Tiow Chye	1,550,000	250,000	0.056
9.	Cindy Chow Pei Pei	–	750,000	0.023

Free Float

Based on the information made available to the Manager as at 31 May 2019, approximately 60.18% of the units in MNACT 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 2019

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of interested person (SGD'000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Mapletree Investments Pte Ltd and its subsidiaries		
– Manager's management fees	23,092	–
– Japan asset management fee	2,846	–
– Property and lease management fees	15,360	–
– Property management reimbursements	9,613	–
– Acquisition of Japan Properties[1]	758,523	–
– Acquisition fee[1]	5,689	–
DBS Group Holdings Ltd and its subsidiaries		
– Trustee fees	737	–
– Subscription of new units pursuant to private placement	2,968	–
Total	**818,828**	**–**

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 interested person transactions (excluding transactions of less than S$100,000 each), nor material contracts entered into by MNACT 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 the MNACT's Prospectus dated 27 February 2013, fees and charges payable by MNACT to the Manager under the Trust Deed and to the Property Manager under the Property Management Agreement are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. MNACT 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 26 of the Financial Statements.

[1] Approved by MNACT unitholders at the EGM held on 24 April 2018. The Acquisition Price is determined based on the agreed portfolio value of the Japan Properties on the trust beneficial interest ("TBI") sale and purchase agreement with the TBI vendors. Based on the exchange rate of S$1.00 = JPY82.18.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting of the holders of units of Mapletree North Asia Commercial Trust ("**MNACT**", and the holders of units of MNACT, "**Unitholders**") will be held on 17 July 2019 (Wednesday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall - Auditorium, Singapore 117439 to transact the following businesses:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of MNACT (the "**Trustee**"), the Statement by Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "**Manager**"), and the Audited Financial Statements of MNACT for the financial year ended 31 March 2019 and the Auditor's Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint PricewaterhouseCoopers LLP as the Auditor of MNACT to hold office until the conclusion of the next Annual General Meeting of MNACT, 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 MNACT ("**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 MNACT (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 MNACT or (ii) the date by which the next Annual General Meeting of MNACT 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 MNACT to give effect to the authority conferred by this Resolution.

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

BY ORDER OF THE BOARD
Mapletree North Asia Commercial Trust Management Ltd.
(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

Wan Kwong Weng
Joint Company Secretary

Singapore
28 June 2019

Notes:

1. A Unitholder who is not a Relevant Intermediary (as defined herein) 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 MNACT'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 14 July 2019 being 72 hours before the time fixed for the Annual General Meeting.

Notice of 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.

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 MNACT, (ii) the date by which the next Annual General Meeting of MNACT is required by the applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, 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 of which up to twenty per cent. (20%) of the total number of issued Units may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 3 above, if passed, will also empower the Manager to issue Units during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

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.

Ordinary Resolution 3 is in line with Rule 806 of the Listing Manual of the SGX-ST.

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.

CUT ALONG THIS DOTTED LINE

MAPLETREE NORTH ASIA COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended))

Proxy Form

6TH 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 North Asia Commercial Trust, this Report 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 North Asia Commercial Trust accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 June 2019.

I/We ____

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

____ (Address)

being a member/members of Mapletree North Asia Commercial Trust ("**MNACT**") 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 6th 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 6th Annual General Meeting of MNACT to be held on 17 July 2019 (Wednesday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the 6th 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 6th 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 MNACT for the financial year ended 31 March 2019 and the Auditor's Report thereon.		
2.	To re-appoint PricewaterhouseCoopers LLP as the Auditor of MNACT 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 instruments convertible into Units.		

* 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 ____________________ 2019

Total number of Units held

____

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

1st fold (this flap is for sealing) Glue all sides firmly. Stapling & spot sealing is disallowed.

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

BUSINESS REPLY SERVICE
PERMIT NO. 08984

The Company Secretary
Mapletree North Asia Commercial Trust Management Ltd.
(As Manager of Mapletree North Asia Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

2nd fold

CUT ALONG THIS DOTTED LINE

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of MNACT ("**Unitholder**") who is not a Relevant Intermediary (as defined herein) 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 MNACT, 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 MNACT'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 14 July 2019, 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.

Corporate Directory

Manager
Mapletree North Asia Commercial Trust Management Ltd.
(Company Registration Number: 201229323R)

Manager's Registered Office
10 Pasir Panjang Road #13-01
Mapletree Business City
Singapore 117438

T: +65 6377 6111
F: +65 6273 2753

W: www.mapletreenorthasiacommercialtrust.com
E: enquiries_mnact@mapletree.com.sg

Board of Directors
Mr. Paul Ma Kah Woh
Non-Executive Chairman and Director

Mr. Kevin Kwok
Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Mr. Lok Vi Ming
Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

Mr. Lawrence Wong Liang Ying
Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr. Michael Kok Pak Kuan
Independent Non-Executive Director and Member of the Audit and Risk Committee

Ms. Tan Su Shan
Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr. Hiew Yoon Khong
Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr. Chua Tiow Chye
Non-Executive Director

Ms. Cindy Chow Pei Pei
Executive Director and Chief Executive Officer

Management
Ms. Cindy Chow Pei Pei
Executive Director and Chief Executive Officer

Mr. Ng Wah Keong
Chief Financial Officer

Mr. Ng Chern Shiong
General Manager, Investment and Asset Management

Ms. Elizabeth Loo Suet Quan
Vice President, Investor Relations

Corporate Services
Mr. Wan Kwong Weng
Joint Company Secretary

Ms. See Hui Hui
Joint Company Secretary

Unit Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

T: +65 6536 5355
F: +65 6438 8710
E: srs.teamd@boardroomlimited.com

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DBS Trustee Limited
12 Marina Boulevard
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DBS Asia Central @ Marina Bay
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Auditor
PricewaterhouseCoopers LLP
7 Straits View
Level 12
Marina One, East Tower
Singapore 018936

T: +65 6236 3388
F: +65 6236 3300

Partner-in-charge
Mr. Alex Toh Wee Keong
(appointed since financial year ended 31 March 2019)

Investor Relations
For enquiries on MNACT's business performance, please contact the Investor Relations team at email: enquiries_mnact@mapletree.com.sg

Sustainability
E: enquiries_mnact@mapletree.com.sg

www.mapletreenorthasiacommercialtrust.com

Mapletree North Asia Commercial Trust Management Ltd.
As Manager of Mapletree North Asia Commercial Trust
(Company Registration Number: 201229323R)

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