Contents

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	
		2019	2018	**2019**	2018
	Note	**S$'000**	S$'000	**S$'000**	S$'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
		2019	2018	2017	**2019**	2018	2017
	Note	**S$'000**	S$'000	S$'000	**S$'000**	S$'000	S$'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:

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:

– 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

	Note	Group		MNACT	
		2019	2018	**2019**	2018
		S$'000	S$'000	**S$'000**	S$'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**	**New carrying amount using the principles under SFRS(I) 9**
			S$'000	**S$'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 S$'000	Group 2018 S$'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 S$'000	Group 2018 S$'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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 S$'000	2018 S$'000	2017 S$'000	**2019 S$'000**	2018 S$'000	2017 S$'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).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

18. Deferred Tax

	Group 2019 S$'000	Group 2018 S$'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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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	

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
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 S$'000	2018 S$'000	2017 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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'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	2018	2017	**2019**	2018	2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000	S$'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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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 S$'000	2018 S$'000	**2019 S$'000**	2018 S$'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. of Units		
No.	Name of Company	Direct Interest	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. of Units		
No.	Name	Direct Interest	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.