ANNUAL REPORT
2016/2017

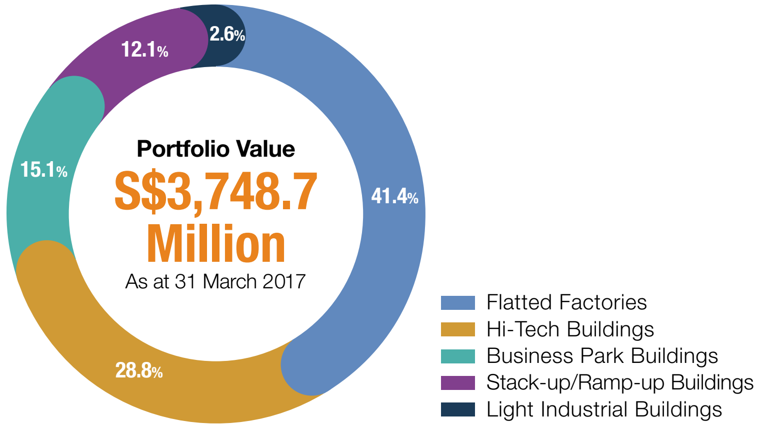
mapletree industrial

VALUE

Guided by our Vision to be the preferred industrial real estate solutions provider, we strive to consistently deliver Value to all stakeholders. We remain committed to generating sustainable returns for our Unitholders. With our business partners, we will forge stronger ties and cultivate mutually beneficial experiences to pave the way ahead. Driven by our commitment to bring Mapletree Industrial Trust to greater heights, we will seize new opportunities that will effectively transform our Vision to Value.

STRATEGIC LOCATIONS
ACROSS SINGAPORE

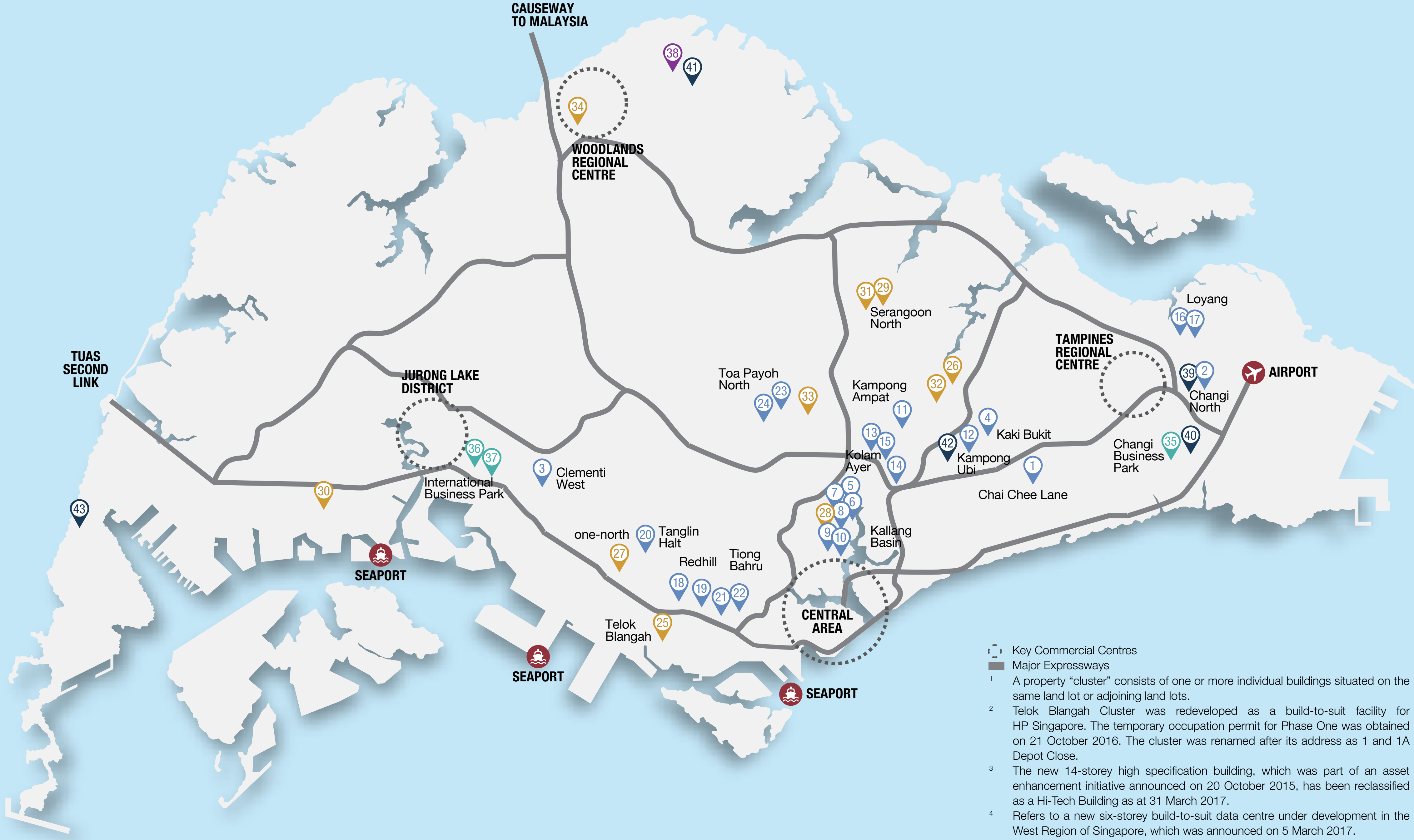
Mapletree Industrial Trust's diverse portfolio of industrial properties is located in established industrial estates and business parks with good transportation infrastructure.



Diverse Portfolio of
86 Properties

Large Tenant Base of
2,217 Tenants

Total GFA of
20.1 Million Sq Ft



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

[2] Telok Blangah Cluster was redeveloped as a build-to-suit facility for HP Singapore. The temporary occupation permit for Phase One was obtained on 21 October 2016. The cluster was renamed after its address as 1 and 1A Depot Close.

[3] The new 14-storey high specification building, which was part of an asset enhancement initiative announced on 20 October 2015, has been reclassified as a Hi-Tech Building as at 31 March 2017.

[4] Refers to a new six-storey build-to-suit data centre under development in the West Region of Singapore, which was announced on 5 March 2017.

Property Clusters[1]

FLATTED FACTORIES

1 Chai Chee Lane
2 Changi North
3 Clementi West
4 Kaki Bukit
5 Kallang Basin 1
6 Kallang Basin 2
7 Kallang Basin 3
8 Kallang Basin 4
9 Kallang Basin 5
10 Kallang Basin 6
11 Kampong Ampat
12 Kampong Ubi
13 Kolam Ayer 1
14 Kolam Ayer 2
15 Kolam Ayer 5
16 Loyang 1
17 Loyang 2
18 Redhill 1
19 Redhill 2
20 Tanglin Halt
21 Tiong Bahru 1
22 Tiong Bahru 2
23 Toa Payoh North 2
24 Toa Payoh North 3

HI-TECH BUILDINGS

25 1 and 1A Depot Close[2]
26 19 Tai Seng Drive
27 26A Ayer Rajah Crescent
28 30A Kallang Place[3]
29 K&S Corporate Headquarters
30 Mukim 06 Lot 00869CPT[4]
31 Serangoon North
32 Tata Communications Exchange
33 Toa Payoh North 1
34 Woodlands Central

BUSINESS PARK BUILDINGS

35 The Signature
36 The Strategy
37 The Synergy

STACK-UP/RAMP-UP BUILDINGS

38 Woodlands Spectrum 1 and 2

LIGHT INDUSTRIAL BUILDINGS

39 2A Changi North Street 2
40 19 Changi South Street 1
41 26 Woodlands Loop
42 45 Ubi Road 1
43 65 Tech Park Crescent

CONTENTS

VISION

To be the preferred industrial real estate solutions provider

MISSION

To deliver sustainable and growing returns to Unitholders by providing quality industrial real estate solutions to clients

CORPORATE PROFILE

Mapletree Industrial Trust ("MIT") is a Singapore-focused Real Estate Investment Trust ("REIT") listed on the Main Board of Singapore Exchange, with a large and diversified portfolio of industrial properties.

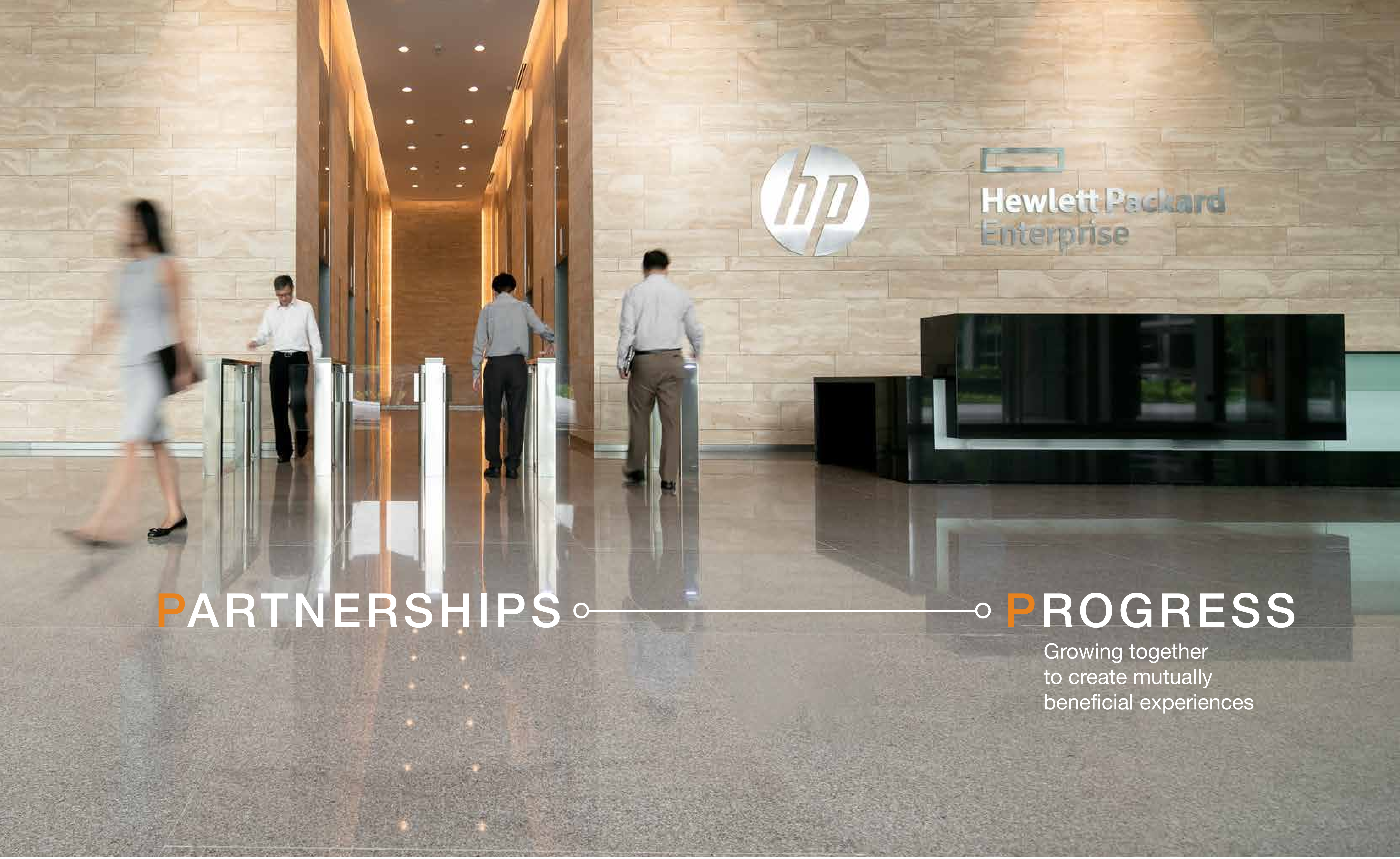
MIT's property portfolio, valued at S$3.7 billion as at 31 March 2017, comprises 86 industrial properties strategically located across Singapore. These industrial properties include Flatted Factories, Hi-Tech Buildings, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. (the "Manager"), a wholly-owned subsidiary of Mapletree Investments Pte Ltd (the "Sponsor"). The Sponsor is a leading real estate development, investment and capital management company headquartered in Singapore.

RESILIENCE — RETURNS

Building on strong foundations to enhance returns

We remain resilient in a changing global economy, building on our strong foundations to realise our Vision to be the preferred industrial real estate solutions provider. Guided by an experienced management team, we continuously strive to achieve our Mission of delivering sustainable and growing returns to Unitholders.



PARTNERSHIPS — PROGRESS

Growing together
to create mutually
beneficial experiences

We believe in the power of partnerships through working with strong business partners to create mutually beneficial experiences. We will strengthen ties with our tenants, providing support for their expansion needs.

STRATEGY — SUSTAINABILITY

Targeting growth in key segments and locations

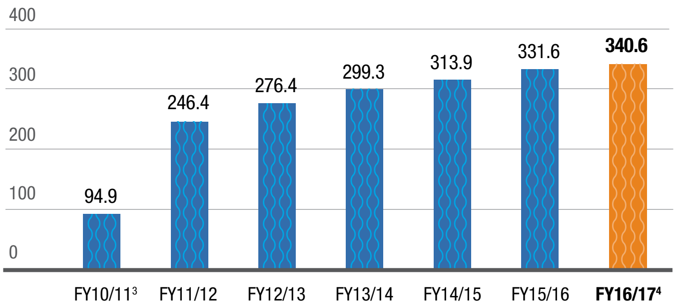
We continue to deliver on our strategy to reshape and improve the portfolio. We have been growing the Hi-Tech Buildings segment, and pursuing growth opportunities in Singapore and overseas, with a focus on good quality industrial properties like high specification facilities and data centres to ensure a sustainable future.

KEY HIGHLIGHTS

Gross Revenue
S$ Million

+2.7% Year-on-year[1]

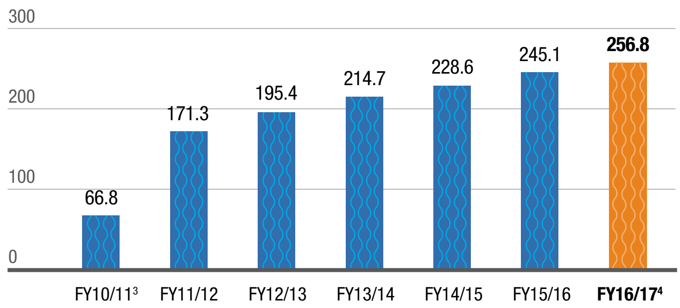
+8.1% CAGR[2]



Net Property Income
S$ Million

+4.8% Year-on-year[1]

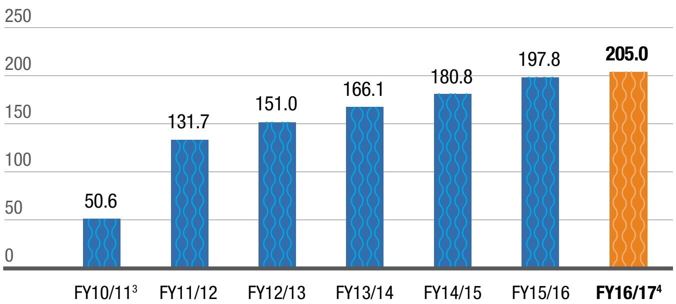
+9.3% CAGR[2]



Distributable Income
S$ Million

+3.6% Year-on-year[1]

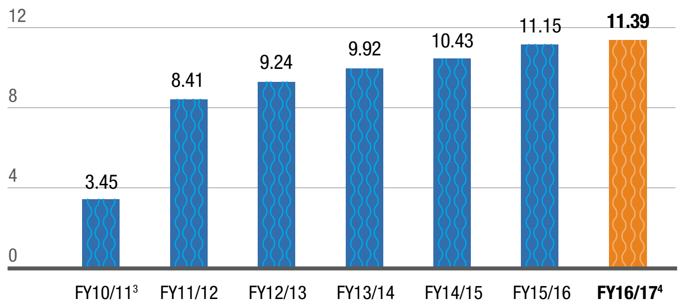
+10.3% CAGR[2]



Distribution Per Unit
Singapore cents

+2.2% Year-on-year[1]

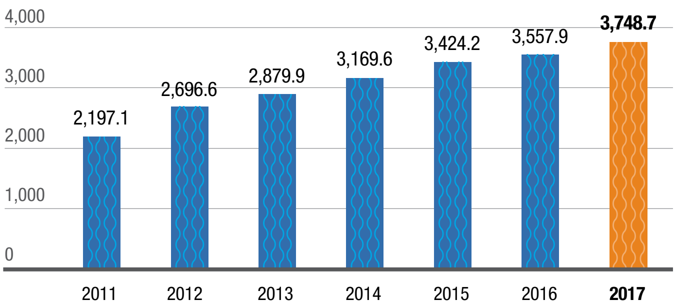
+6.6% CAGR[2]



Investment Properties
(As at 31 March) S$ Million

+5.4% Year-on-year[5]

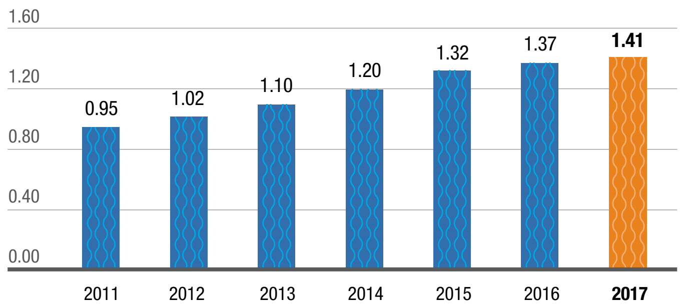
+9.3% CAGR



Net Asset Value Per Unit
(As at 31 March) S$

+2.9% Year-on-year[5]

+6.8% CAGR



1 Refers to year-on-year comparison for FY15/16 and FY16/17.
2 Refers to compound annual growth rate ("CAGR"). Figures for FY10/11 ended 31 March 2011 were annualised from Listing Date to 31 March 2011 to the full FY10/11 period for CAGR computation.
3 MIT was listed on 21 October 2010.
4 FY16/17 denotes financial year 2016/2017 ended 31 March 2017.
5 Refers to year-on-year comparison for 2016 and 2017.

SIGNIFICANT **EVENTS**

2016

JUL

Achieved distribution per Unit ("DPU") of 2.85 Singapore cents for 1QFY16/17, a year-on-year increase of 4.4%

AUG

Fitch Ratings affirmed MIT's Issuer Default Rating at 'BBB+' with a Stable Outlook

OCT

Completed Phase One of the build-to-suit ("BTS") project for HP Singapore ("HP")

Delivered DPU of 2.83 Singapore cents for 2QFY16/17, a year-on-year increase of 1.4%

2017

JAN

DPU for 3QFY16/17 was 2.83 Singapore cents, a year-on-year increase of 0.4%

BTS data centre for Equinix Singapore ("Equinix") achieved LEED Gold®

MAR

Secured a new S$60 million BTS data centre development

Issued S$100 million 7-year 3.16% fixed rate notes

Artist's impression of the new BTS data centre development

APR

DPU of 2.88 Singapore cents for 4QFY16/17 registered a year-on-year increase of 2.5%

DPU of 11.39 Singapore cents for FY16/17 was 2.2% higher than the same period last year

LETTER TO UNITHOLDERS

"With the support of the Sponsor's strong network and capabilities, the Manager will actively pursue investment opportunities in Singapore and overseas, with a focus on good quality industrial properties like high specification facilities and data centres."

Left
WONG MENG MENG
Chairman

Right
THAM KUO WEI
Chief Executive Officer

Dear Unitholders,

VISION TO VALUE

Our strategy to diversify our portfolio by growing the Hi-Tech Buildings segment has made significant strides. The successful completion of Phase One of the redevelopment of Flatted Factories at the Telok Blangah Cluster to Hi-Tech Buildings demonstrates our ability to transform a vision to a world-class facility for HP. The BTS development with a total gross floor area ("GFA") of over 824,500 square feet ("sq ft") is on track for full completion by June 2017.

In March 2017, we secured a S$60 million data centre development for an established data centre operator, marking another milestone in our strategy. The six-storey purpose-built data centre located in the West Region of Singapore will be fully leased for an initial lease term of more than 10 years. This new project with a GFA of about 242,000 sq ft will add to our track record after successful completions of data centres for Tata Communications International and Equinix.

The S$77 million asset enhancement initiative ("AEI") at 30A Kallang Place and improvement works at the existing Kallang Basin 4 Cluster is on track for completion in the first quarter of 2018. Adding 336,000 sq ft to the portfolio, the AEI will benefit from its proximity to the Kallang iPark, which is poised to be an industrial hub for high value and knowledge-based businesses.

Through these efforts, we are strengthening the portfolio to remain relevant to the changing needs of industrialists and attracting users from new growth segments as Singapore pursues higher value industries. As at 31 March 2017, the Hi-Tech Buildings segment accounted for 28.8% of the portfolio by valuation, up from 14.8% four years ago.

DELIVERING STEADY RETURNS

Amidst the challenging conditions, MIT continued to deliver steady returns in FY16/17. Net property income for FY16/17 rose by 4.8% to S$256.8 million. This was driven by higher rental rates achieved across all property segments with initial contribution from Phase One of the BTS development for HP and lower property operating expenses. Our cost containment efforts enabled us to maintain the portfolio's net property income margin at a healthy level of 75.4% against the backdrop of rising cost pressures.

Distributable income for FY16/17 grew by 3.6% to S$205.0 million. DPU for FY16/17 was 11.39 Singapore cents, 2.2% higher than the DPU of 11.15 Singapore cents for FY15/16. Unitholders would have received a total return of about 18.7%[1] in FY16/17, comprising a capital appreciation of 11.6% and a distribution yield of 7.1%.

MIT's 86 investment properties were valued at S$3,748.7 million as at 31 March 2017, which was an increase of S$190.8 million over the previous valuation as at 31 March 2016. The increase was due to a portfolio revaluation gain of S$70.2 million and capitalised cost of S$120.6 million from development and improvement works. The revaluation gain was driven by the progress of ongoing development projects, as well as improved portfolio performance. Correspondingly, the net asset value per Unit increased from S$1.37 as at 31 March 2016 to S$1.41 as at 31 March 2017.

STAYING NIMBLE

MIT's operational performance remained stable despite headwinds in the Singapore industrial property market. The portfolio's average passing rental rate increased by 1.6% from S$1.88 per square foot per month ("psf/mth") in FY15/16 to S$1.91 psf/mth in FY16/17. The improvement was driven by the commencement of the new lease for Phase One of the BTS project for HP in December 2016. Average portfolio occupancy rate fell from 94.1% in FY15/16 to 92.4% in FY16/17.

In order to minimise the leasing risk from an impending large supply of industrial space, we remain focused on tenant retention to ensure a sustainable portfolio occupancy. We are also intensifying our efforts to engage tenants ahead of their lease expirations. These resulted in a healthy portfolio's retention rate of 71.0% in FY16/17. In addition to recalibrations of rental rates to respond to market conditions, we are proactively prospecting tenants from growing trade sectors such as e-commerce and information and communication technology.

STRENGTHENING OUR CAPITAL STRUCTURE

In March 2017, we diversified our funding sources with the successful issuance of S$100 million 7-year medium term notes at a fixed rate of 3.16% per annum. The balance sheet remained robust with a healthy interest cover ratio of 7.9 times and an average borrowing cost of 2.6% in FY16/17. MIT's aggregate leverage ratio of 29.2% as at 31 March 2017 will provide sufficient debt headroom for potential investment opportunities.

Net Property Income
+4.8%
S$256.8 Million

Distributable Income
+3.6%
S$205.0 Million

Distribution Per Unit
+2.2%
11.39 Singapore cents

[1] Sum of distributions and capital appreciation for the period over the closing unit price of S$1.595 on 31 March 2016.

LETTER TO **UNITHOLDERS**

About 74.9% of MIT's total debt had been hedged as at 31 March 2017, which will mitigate the impact of rising interest rates. We continue to monitor the market for opportunities to increase interest rate hedges and draw on fixed rate borrowings while keeping the average borrowing cost manageable.

STAYING THE COURSE

The operating environment is expected to remain difficult. The continued supply of competing industrial space and movement of tenants are expected to exert pressure on rental and occupancy rates. Though the manufacturing sector in Singapore had demonstrated signs of potential improvement, leasing activity may be muted as industrial space users are cautious in their real estate decisions in an environment of global trade uncertainties and rising interest rates.

We expect the contribution from the Hi-Tech Buildings segment to continue to grow as we progressively complete the ongoing development projects. The new BTS data centre development extends MIT's foothold as a data centre developer in this growing asset class. With the support of the Sponsor's strong network and capabilities, the Manager will actively pursue investment opportunities in Singapore and overseas, with a focus on good quality industrial properties like high specification facilities and data centres. With a strong balance sheet, we remain disciplined in pursuing investment opportunities to strengthen the portfolio.

We are also pleased to present our first sustainability report where we discussed MIT's material environmental, social and governance factors as well as sustainable policies and performances. We are committed to integrating environmental and social considerations in our business practices while upholding high standards of corporate governance.

ACKNOWLEDGEMENTS

We wish to extend our sincere appreciation to our directors and staff for their invaluable contributions and commitment. We would also like to thank our Unitholders, tenants and business partners for their continued support.

WONG MENG MENG
Chairman

THAM KUO WEI
Chief Executive Officer

29 MAY 2017

STRATEGIC
DIRECTION

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

In FY16/17, the Manager made significant strides in growing the Hi-Tech Buildings segment, completing Phase One of the BTS project for HP and securing another BTS data centre development. As at 31 March 2017, the Hi-Tech Buildings segment accounted for 28.8% of the portfolio by valuation, up from 14.8% when the segment was introduced in 2013. Through these efforts, the Manager is strengthening the portfolio to meet the increasing demand for industrial spaces with higher specifications as Singapore pursues higher value industries. With the support of the Sponsor's strong network and capabilities, the Manager will actively pursue investment opportunities in Singapore and overseas, with a focus on good quality industrial properties like high specification facilities and data centres.

VISION

To be the preferred industrial real estate solutions provider

MISSION

To deliver sustainable and growing returns to Unitholders by providing quality industrial real estate solutions to clients

STRATEGY

PROACTIVE ASSET MANAGEMENT

Improve competitiveness of properties

- Implement proactive marketing and leasing initiatives
- Deliver quality service and customised solutions
- Improve cost effectiveness to mitigate rising operating costs
- Unlock value through AEI

VALUE-CREATING INVESTMENT MANAGEMENT

Secure investments to deliver growth and diversification

- Pursue DPU-accretive acquisitions and development projects
- Secure BTS projects with pre-commitments from high quality tenants
- Consider opportunistic divestments

PRUDENT CAPITAL MANAGEMENT

Optimise capital structure to provide financial flexibility

- Maintain a strong balance sheet
- Diversify sources of funding
- Employ appropriate interest rate management strategies

UNIT PERFORMANCE

FY16/17 was another volatile period for global equities, driven by the uncertainties arising from the United Kingdom's referendum vote to leave the European Union and the interest rate hikes by the United States Federal Reserve. MIT's unit price increased by 11.6% in FY16/17 to close the period at S$1.780, with an average closing unit price of S$1.679. A total of 633.4 million units were traded, with an average daily trading volume of 2.49 million units.

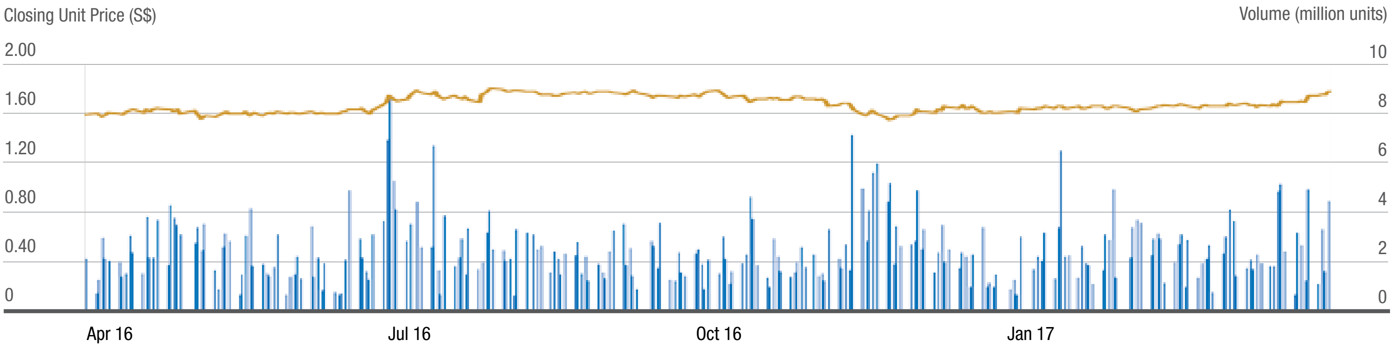
The FTSE Straits Times Index gained ground towards the end of the financial year amid expectations of the United States' expansionary fiscal policy plans, registering a gain of 11.8% in FY16/17. The FTSE ST REITs Index also increased by 4.6% in FY16/17 after the United States Federal Reserve signalled a gradual pace in interest rate hikes in 2017 at the Federal Open Market Committee meeting on 14 December 2016.

MIT's unit price increased by 91.4% since its listing on 21 October 2010. Over the years, its market capitalisation has also increased from S$1.36 billion to S$3.21 billion as at 31 March 2017.

Unit Price and Trading Volume

	FY16/17	FY15/16
Closing unit price on the last trading day prior to the commencement of the period (S$)	**1.595**	1.580
Highest closing unit price (S$)	**1.810**	1.635
Lowest closing unit price (S$)	**1.550**	1.375
Average closing unit price (S$)	**1.679**	1.540
Closing unit price for the period (S$)	**1.780**	1.595
Average daily trading volume (million units)	**2.49**	2.93

Trading Performance in FY16/17



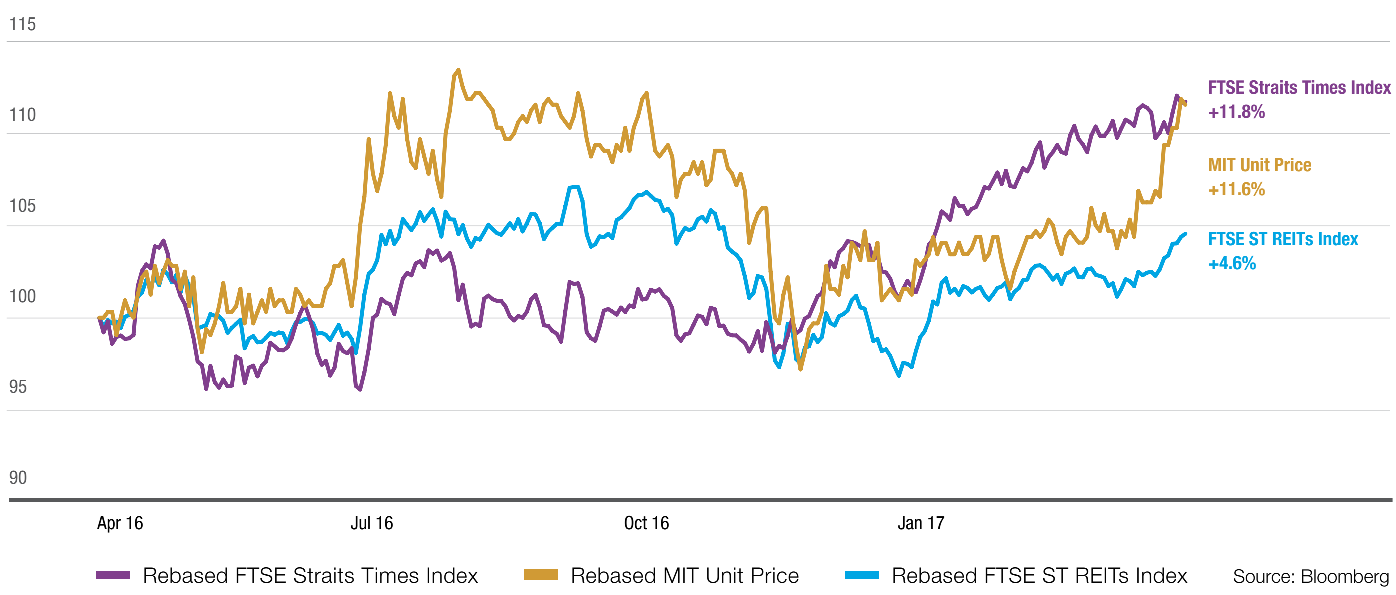
Source: Bloomberg

Return on Investment

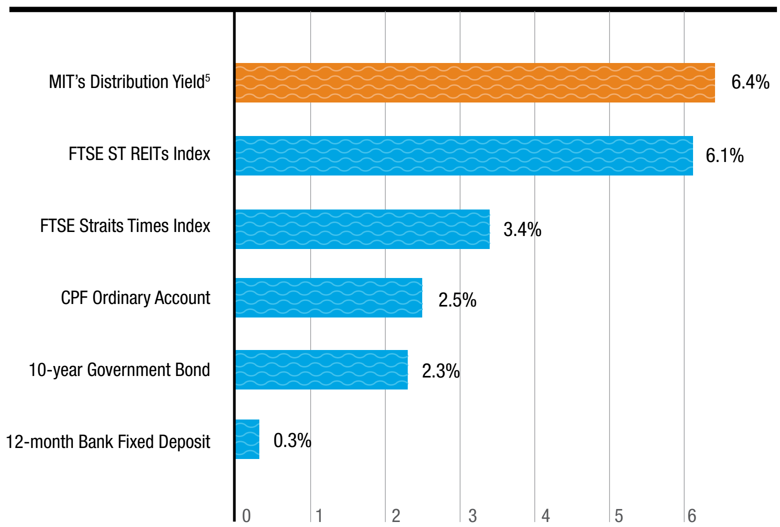
	1-Year From 1 April 2016	3-Year From 1 April 2014	5-Year From 1 April 2012	Since Listing From 21 October 2010
Total return as at 31 March 2017 (%)	18.7[1]	54.6[1]	109.2[1]	160.2[2]
Capital appreciation (%)	11.6	30.4	61.8	91.4
Distribution yield (%)	7.1	24.2	47.4	68.8
Closing unit price on the last trading day prior to the commencement of the period/Unit issue price at listing (S$)	1.595	1.365	1.100	0.930

1 Sum of distributions and capital appreciation for the period over the closing unit price on the last trading day prior to the commencement of the period.
2 Sum of distributions and capital appreciation for the period over the unit issue price at listing.

Comparative Trading Performance in FY16/17[3]



Comparative Yields[4]
As at 31 March 2017



CONSTITUENTS OF KEY INDICES[6]

- Bloomberg Asia Pacific Financial Index
- Bloomberg Asia REIT Index
- Bloomberg World Financial Index
- Bloomberg World REIT Index
- FTSE EPRA/NAREIT Global REITs Index
- FTSE EPRA/NAREIT Global REITs TR Index
- FTSE ST Real Estate Index
- FTSE ST REITs Index
- MSCI AC Asia Pacific IMI Core REIT (USD)
- MSCI Singapore Small Cap Index (USD)
- MSCI World Small Cap (USD)
- S&P Global BMI (USD)
- S&P Global Property Index (USD)
- S&P Global REIT Index (USD)
- S&P Global Small Cap Index
- SGX APAC ex Japan Dividend Leaders REIT Index
- SGX Real Estate Index
- SGX S-REIT Index
- STOXX Asia 1200 Price Index
- WisdomTree Global ex-US Real Estate Index

3 Rebased closing unit price on 31 March 2016 to 100.
4 Sources: Bloomberg, Monetary Authority of Singapore (for the 10-year Government Bond's yield) and Central Provident Fund ("CPF") Board (for the CPF Ordinary Account's yield).
5 MIT's distribution yield is based on FY16/17 DPU of 11.39 Singapore cents over closing unit price of S$1.780 on 31 March 2017.
6 The list of key indices is not exhaustive.

ORGANISATION **STRUCTURE**

MAPLETREE INDUSTRIAL TRUST MANAGEMENT LTD.

BOARD OF DIRECTORS

Mr Wong Meng Meng
Non-Executive Chairman and Director

Mr Seah Choo Meng
Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Mr Soo Nam Chow
Independent Non-Executive Director

Mr Wee Joo Yeow
Independent Non-Executive Director

Mr Wong Mun Hoong
Non-Executive Director

Mr John Koh Tiong Lu
Lead Independent Non-Executive Director

Ms Mary Yeo Chor Gek
Independent Non-Executive Director

Mr Tham Kuo Wei
Executive Director and Chief Executive Officer

AUDIT AND RISK COMMITTEE

Mr Soo Nam Chow
Chairman

Mr John Koh Tiong Lu

Mr Seah Choo Meng

NOMINATING AND REMUNERATION COMMITTEE

Mr Wee Joo Yeow
Chairman

Ms Mary Yeo Chor Gek

Mr Hiew Yoon Khong

CHIEF EXECUTIVE OFFICER

Mr Tham Kuo Wei

JOINT COMPANY SECRETARIES

Mr Wan Kwong Weng

Ms See Hui Hui

CHIEF FINANCIAL OFFICER

Ms Ler Lily

Finance

Ms Charmaine Lum Sheh Min
Vice President

Ms Charlene Zhang Shixin
Senior Manager

Ms Long Shai Sia
Assistant Manager

Ms Daphne Ong Shi Ying
Assistant Manager

Treasury

Mr Miguel Vega Sun
Manager

HEAD OF INVESTMENT

Mr Peter Tan Che Heng

Investment

Mr Li Yang
Manager

Mr Benjamin Cher Shao Jie
Assistant Manager

HEAD OF ASSET MANAGEMENT

Ms Serene Tam Mei Fong

Asset Management

Mr Alvin Tay Kian Siong
Vice President

Mr Cheng Hsing Yuen
Senior Manager

Mr Zhou Yong Cheng
Senior Manager

Mr Steven Chew Chee Song
Manager

Mr Shao Yuhang
Manager

Ms Jan Yan Weiyun
Manager

Mr Tan Guanzheng
Assistant Manager

VICE PRESIDENT INVESTOR RELATIONS

Ms Melissa Tan Hwei Leng

Investor Relations

Ms Cheng Mui Lian
Assistant Manager

ORGANISATION, CORPORATE AND TRUST STRUCTURE

MAPLETREE FACILITIES SERVICES PTE. LTD.

BOARD OF DIRECTORS

Mrs Lee Pheck Yan

Ms Koh Lay Keng

HEAD OF GROUP DEVELOPMENT MANAGEMENT

Mr Tan Wee Seng

HEAD OF MARKETING

Ms Chng Siok Khim

HEAD OF PROPERTY MANAGEMENT

Mr Paul Tan Tzyy Woon

CORPORATE STRUCTURE

MAPLETREE INDUSTRIAL TRUST

MAPLETREE SINGAPORE INDUSTRIAL TRUST

MAPLETREE INDUSTRIAL TRUST TREASURY COMPANY PTE. LTD.

TRUST STRUCTURE

SPONSOR

Mapletree Investments Pte Ltd

OTHER UNITHOLDERS

Distributions

Ownership of Units

MANAGER

Mapletree Industrial Trust Management Ltd.

Management Services

Management Fees

mapletree industrial

Acts on behalf of Unitholders

Trustee Fees

TRUSTEE

DBS Trustee Limited

100% Ownership of MSIT Units

Distributions

MAPLETREE SINGAPORE INDUSTRIAL TRUST ("MSIT")[1]

Net Property Income

Ownership of Assets

Net Property Income

Ownership of Assets

PROPERTY MANAGER

Mapletree Facilities Services Pte. Ltd.

Property Management Services

Property Management Fees

PROPERTIES

MSIT PORTFOLIO[1]

[1] MSIT was constituted as a private trust on 27 March 2006. The MSIT portfolio comprises two Hi-Tech Buildings and four Light Industrial Buildings in Singapore. MIT acquired MSIT on Listing Date, 21 October 2010.

BOARD OF **DIRECTORS**

1. MR WONG MENG MENG
2. MR SOO NAM CHOW
3. MR JOHN KOH TIONG LU
4. MR SEAH CHOO MENG
5. MR WEE JOO YEOW
6. MS MARY YEO CHOR GEK
7. MR HIEW YOON KHONG
8. MR WONG MUN HOONG
9. MR THAM KUO WEI

MR WONG MENG MENG

Non-Executive Chairman and Director

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

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

Mr Wong is the Founder-Consultant of WongPartnership LLP, a leading law firm in Singapore. He is a Member of the Competition Appeal Board, Singapore. He is also a Member of the Advisory Board of the Faculty of Law, National University of Singapore and was also the President of the Law Society of Singapore from 2010 to 2012.

MR SOO NAM CHOW

Independent Non-Executive Director

Mr Soo Nam Chow is an Independent Non-Executive Director and the Chairman of the Audit and Risk Committee of the Manager.

Mr Soo has worked in the auditing and accounting industry in Singapore for over 35 years and has extensive auditing and advisory experience in various industries in both the private and public sector. His leadership roles covered risk management, accounting and audit practice, Japanese practice and financial management. He was a Partner with KPMG and later KPMG LLP from 1988 to 2009.

Mr Soo obtained his professional qualification as a Certified Accountant from the Association of Chartered Certified Accountants in 1983. He is also a member of the Institute of Singapore Chartered Accountants.

MR JOHN KOH TIONG LU

Lead Independent Non-Executive Director

Mr John Koh Tiong Lu is the Lead Independent Non-Executive Director and a member of the Audit and Risk Committee of the Manager.

Mr Koh was a Managing Director and a Senior Advisor of the Goldman Sachs Group until 2006. Mr Koh is also an Independent Director and Chairman of the Investment Committee of Mapletree Industrial Fund Ltd., a private real estate fund managed by the Sponsor.

Mr Koh has over 25 years of experience in investment banking and law. Prior to joining the Goldman Sachs Group in 1999, Mr Koh spent 18 years as a lawyer at various firms, including J. Koh & Co (a Singapore firm founded by Mr Koh) as well as serving in the Singapore Attorney-General's Chambers.

Mr Koh sits on various boards of directors, including NSL Ltd. and KrisEnergy Limited, and serves as the Chairman of the Audit Committee of both companies. He is also a Director of the National Library Board and the National Museum of Singapore.

Mr Koh holds a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge and is a graduate of Harvard Law School.

BOARD OF **DIRECTORS**

MR SEAH CHOO MENG
Non-Executive Director

Mr Seah Choo Meng is a Non-Executive Director and a member of the Audit and Risk Committee of the Manager.

Mr Seah joined Langdon & Seah Singapore Pte. Ltd. (as it was then known) in 1968 and was its Past Chairman. Langdon & Seah was an independent firm of construction cost consultants and project managers providing professional consultancy services to the developer, architectural and engineering sectors of the construction industry. Mr Seah had left Langdon & Seah as at 31 December 2016 and joined Surbana Jurong Private Limited on 1 January 2017.

Mr Seah is currently a Senior Advisor, GCEO's Office of Surbana Jurong Private Limited and Chairman of Threesixty Cost Management Pte. Ltd. and Threesixty Contract Advisory Pte. Ltd..

Mr Seah is a Board Director of the Ren Ci Hospital and Chairman of its Building Committee. He is a Trustee of SGBC Pte. Ltd.. Mr Seah is a Member of the Construction Adjudicator Accreditation Committee, Singapore Mediation Centre. He is also a Principal Mediator, Senior Adjudicator and a Member of the Professional Conduct Panel of the Singapore Mediation Centre.

Mr Seah is a Fellow of the Royal Institution of Chartered Surveyors as well as a Fellow of the Singapore Institute of Surveyors and Valuers. He is also a Fellow of the Royal Institution of Surveyors Malaysia. He is also an Accredited Mediator, Neutral Evaluator and Adjudicator with the Singapore Mediation Centre. He was previously the Council Chairman of the Singapore Institute of Surveyors and Valuers and a past President of the Society of Project Managers.

MR WEE JOO YEOW
Independent Non-Executive Director

Mr Wee Joo Yeow is an Independent Non-Executive Director and the Chairman of the Nominating and Remuneration Committee of the Manager.

Mr Wee was the Managing Director and Head of Corporate Banking in Singapore with United Overseas Bank Limited ("UOB") until his retirement in 2013. Mr Wee has more than 30 years of corporate banking experience. He joined UOB in 2002. Prior to that, Mr Wee was with Overseas Union Bank from 1981 to 2001 and held senior appointments before its merger into UOB.

Mr Wee sits on the boards of directors of Frasers Centrepoint Limited, Oversea-Chinese Banking Corporation Limited, Great Eastern Holdings Limited, PACC Offshore Services Holdings Ltd. and a number of private companies.

He holds a Bachelor of Business Administration (Honours) degree from the University of Singapore and a Master of Business Administration from New York University.

MS MARY YEO CHOR GEK
Independent Non-Executive Director

Ms Mary Yeo Chor Gek is an Independent Non-Executive Director and a member of the Nominating and Remuneration Committee of the Manager.

Ms Yeo is the Vice President, South Asia Pacific Supply Chain Operations of UPS Asia Group, the world's largest package delivery company and a leading global provider of specialised transportation and logistics services. She joined UPS Asia Group in 1988 and has been with UPS Asia Group for more than 28 years. She has more than 30 years of experience in the transportation and logistics industry.

Ms Yeo is also a Board Member of the Civil Aviation Authority of Singapore and a member of its Audit Committee as well as a former Board Member of Infocomm Development Authority of Singapore and the Central Provident Fund Board.

She holds a Master of Business Administration degree from the Northumbria University.

MR HIEW YOON KHONG
Non-Executive Director

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

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

Mr Hiew joined the Sponsor in 2003 as Group Chief Executive Officer. He has since led the Sponsor from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets of more than S$39 billion.

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

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

MR WONG MUN HOONG

Non-Executive Director

Mr Wong Mun Hoong is a Non-Executive Director of the Manager.

Mr Wong is currently the Group Chief Financial Officer of the Sponsor. He oversees the Finance, Tax, Treasury, Private Funds Management, Risk Management, and Information Systems & Technology functions of the Sponsor. In addition, he is a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust), Mapletree Commercial Trust Management Ltd. (the manager of Mapletree Commercial Trust) and CapitaLand Township Development Fund.

Prior to joining the Sponsor in 2006, Mr Wong had over 14 years of investment banking experience in Asia, of which the last 10 years were with Merrill Lynch & Co..

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

MR THAM KUO WEI

Executive Director and Chief Executive Officer

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

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

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

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

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

MANAGEMENT **TEAM**

MR THAM KUO WEI
Executive Director and Chief Executive Officer

Mr Tham Kuo Wei is the Executive Director and the Chief Executive Officer of the Manager. Please refer to his profile under the Board of Directors section of this Annual Report (see page 23).

MS LER LILY
Chief Financial Officer

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

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

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

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

MR PETER TAN CHE HENG
Head of Investment

Mr Peter Tan Che Heng is the Head of Investment of the Manager. Mr Tan is responsible for formulating and executing investment strategies to enhance MIT's portfolio returns.

Prior to joining the Manager, Mr Tan was the Head of Investment, Industrial of the Sponsor where he was responsible for the acquisition and development of the Sponsor's industrial assets in Singapore and the region. He joined the Sponsor in 2006 and was a key member of the investment team for the pan-Asia Mapletree Industrial Fund. Mapletree Industrial Fund closed its investment period in 2009 with investments in Singapore, Malaysia, Japan and China. Since joining the Sponsor and the Manager, Mr Tan was responsible for more than S$1.5 billion worth of investments in Singapore and the region.

A building professional by training, Mr Tan has over 16 years of industrial real estate investment and development experience. Prior to joining the Sponsor, Mr Tan held various positions at Ascendas Services Pte Ltd and Boustead Projects Pte Ltd in the areas of business development, development management and asset management of industrial facilities in Singapore and the region over a six-year period.

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

MS SERENE TAM MEI FONG
Head of Asset Management

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

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

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

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

CORPORATE SERVICES AND
PROPERTY MANAGEMENT TEAMS

MR WAN KWONG WENG
Joint Company Secretary

Mr Wan Kwong Weng is the Joint Company Secretary of the Manager. He is concurrently Head, Group Corporate Services and Group General Counsel of the Sponsor, where he is responsible for all of administration, corporate communications, human resources as well as take charge of legal, compliance and corporate secretarial matters.

Prior to joining the Sponsor in 2009, Mr Wan was Group General Counsel – Asia at Infineon Technologies for 7 years, where he was a key member of its Asia Pacific management team. He started his career as a litigation lawyer with one of the oldest law firms in Singapore, Wee Swee Teow & Co., and was subsequently with the Corporate & Commercial/Private Equity practice group of Baker & McKenzie in Singapore and Sydney.

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

MS SEE HUI HUI
Joint Company Secretary

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

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

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

MR TAN WEE SENG
Head of Group Development Management

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

Prior to joining the Sponsor in 2012, Mr Tan spent 18 years with Lendlease Group in various senior positions. Mr Tan has over 26 years of design, project/construction management experience in industrial, logistics, pharmaceutical, telecommunications, institutional, retail and commercial sectors across different geographies.

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

MS CHNG SIOK KHIM
Head of Marketing

Ms Chng Siok Khim is the Head of Marketing of the Property Manager. Ms Chng oversees the lease management as well as the formulation and execution of the marketing strategies for all industrial properties of the Sponsor.

Prior to her current appointment, Ms Chng was also overseeing the marketing of the Sponsor's office and logistics space. She was primarily responsible for the successful pre-leasing of Bank of America Merrill Lynch HarbourFront in 2007.

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

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

MR PAUL TAN TZYY WOON
Head of Property Management

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

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

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

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

SPACES

The full completion of the purpose-built facility for HP by June 2017 will be a significant milestone in Mapletree Industrial Trust's largest build-to-suit project, which was accredited the BCA Green Mark Platinum Award, the highest accolade for environmentally sustainable buildings. Since March 2014, the Manager has worked closely with multiple stakeholders in the redevelopment of the Flatted Factories at the Telok Blangah Cluster, creating a world-class facility to suit HP's operational and expansion needs. The two Hi-Tech Buildings with a total gross floor area of 824,500 square feet will comprise facilities for manufacturing, product and software development, customer service and an office. The high-quality industrial spaces are complemented by green spaces and environmentally sustainable features, shaping the places for HP Inc., Hewlett Packard Enterprise ("HPE") and associated companies to build a network of relationships and to create meaningful experiences.

Opening of Hewlett Packard Enterprise's new premises on 8 May 2017
From left to right: Mr Loh Khai Peng (Vice President and Singapore Managing Director, HPE), Mr Han Jok Kwang (Chairman, HPE/HP Alumni Singapore), Mr Henry Gomez (Executive Vice President, Chief Marketing and Communications Officer, HPE), Mr Antonio Neri (Executive Vice President and General Manager, Enterprise Group, HPE), Ms Meg Whitman (Chairman and Chief Executive Officer, HPE), Dr Beh Swan Gin (Chairman, Singapore Economic Development Board), Mr Phil Davis (Senior Vice President and Regional Managing Director, Enterprise Group, Asia Pacific Japan, HPE), Mr Wong Meng Meng (Chairman, Mapletree Industrial Trust Management) and Mr Tham Kuo Wei (Chief Executive Officer, Mapletree Industrial Trust Management)

PLACES

"Mapletree Industrial Trust has been supportive of our requirements during the entire process leading up to the grand opening of our new Asia Pacific and Japan headquarters at Depot Close. We are pleased with the new, high specification facility and this marks a big step forward in Hewlett Packard Enterprise's commitment to make our company a 'Best Place to Work' for our employees."

Mr Loh Khai Peng,
Vice President and Singapore Managing Director, Hewlett Packard Enterprise

Above: 'e-Hub' space is catered for HPE's mobile workforce which adapts the traditional office layout to a flexible and open workspace with multiple seating options to encourage collaboration among staff.

Above: Cloud Cafe provides a cozy environment for HPE staff to take a break while enjoying the breathtaking city view.

An artist's impression of the new 14-storey Hi-Tech Building, 30A Kallang Place.

DELIVERING GROWTH THROUGH DEVELOPMENT PROJECTS

The completion of Phase One of the BTS development for HP at 1 and 1A Depot Close[1] in October 2016 marked another milestone in the strategy to grow the Hi-Tech Buildings segment. The S$226 million[2] redevelopment of Flatted Factories at the Telok Blangah Cluster as a purpose-built facility will unlock value by almost doubling the GFA to 824,500 sq ft. Upon its full completion by June 2017, the two Hi-Tech Buildings will comprise facilities for manufacturing, product and software development, customer service as well as an office. HP has committed to lease the entire BTS facility for an initial lease term of 10.5 years, with annual rental escalations and an option to renew for two additional five-year terms. Phase One includes a six-month rent-free period that will be distributed over the first 18 months. The Manager is in discussion with HP about the lease commencement date and rent-free arrangement for Phase Two.

In March 2017, the Manager secured a new BTS data centre development at an estimated development cost of S$60 million. The six-storey purpose-built data centre with a GFA of about 242,000 sq ft will be fully leased to an established data centre operator for an initial lease term of more than 10 years with staggered rental escalations and renewal options. It is located in a specialised industrial park for data centres with ready-built infrastructure catered to support multinational companies and enterprises. Following its completion in the second half of 2018, the long-term lease commitment will offer further portfolio diversification and income stability to Unitholders.

The S$77 million AEI at 30A Kallang Place and Kallang Basin 4 Cluster is on track for completion in the first quarter of 2018. The AEI involves the development of a new 14-storey Hi-Tech Building and improvement works at the existing buildings in the Kallang Basin 4 Cluster, which will add about 336,000 sq ft of GFA. The AEI will benefit from its proximity to Kallang iPark, which is poised to become an industrial hub for high value and knowledge-based businesses.

Through these efforts, the Manager is strengthening the portfolio to remain relevant to the changing needs of industrialists and attracting users from new growth segments as Singapore pursues higher value industries. As at 31 March 2017, the Hi-Tech Buildings segment accounted for 28.8% of the portfolio by valuation, up from 14.8% four years ago.

STABLE AND RESILIENT PORTFOLIO

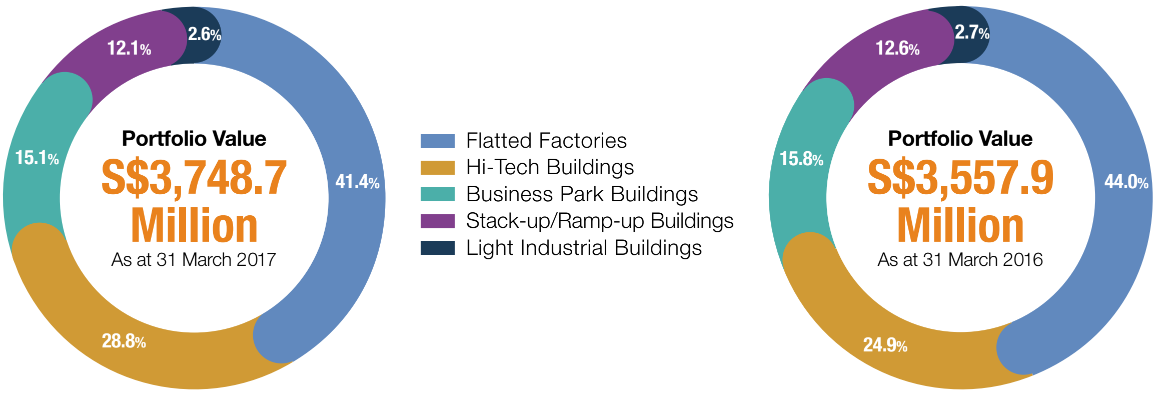
MIT's portfolio of 86 properties is strategically located in established industrial estates and business parks, which are well-served by public transportation networks. The broad spectrum of industrial facilities, comprising Flatted Factories, Hi-Tech Buildings, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings, enables MIT to support clients' wide-ranging business requirements. The portfolio has an aggregate GFA of about 20.1 million sq ft and net lettable area ("NLA") of about 15.2 million sq ft.

1 Telok Blangah Cluster was redeveloped as a BTS facility for HP. The temporary occupation permit ("TOP") for Phase One was obtained on 21 October 2016. The cluster was renamed after its address as 1 and 1A Depot Close.
2 Includes book value of S$56 million (as at 31 March 2014) prior to commencement of redevelopment.

BTS facility for HP at Depot Close.

The portfolio was valued at S$3,748.7 million as at 31 March 2017, which represented an increase of 5.4% over the previous valuation as at 31 March 2016. The increase was due to a portfolio revaluation gain of S$70.2 million and capitalised cost of S$120.6 million from development and improvement works. The revaluation gain was driven by the progress of development works at 1 and 1A Depot Close and 30A Kallang Place, as well as improved portfolio performance. Correspondingly, the net asset value per Unit increased from S$1.37 as at 31 March 2016 to S$1.41 as at 31 March 2017.

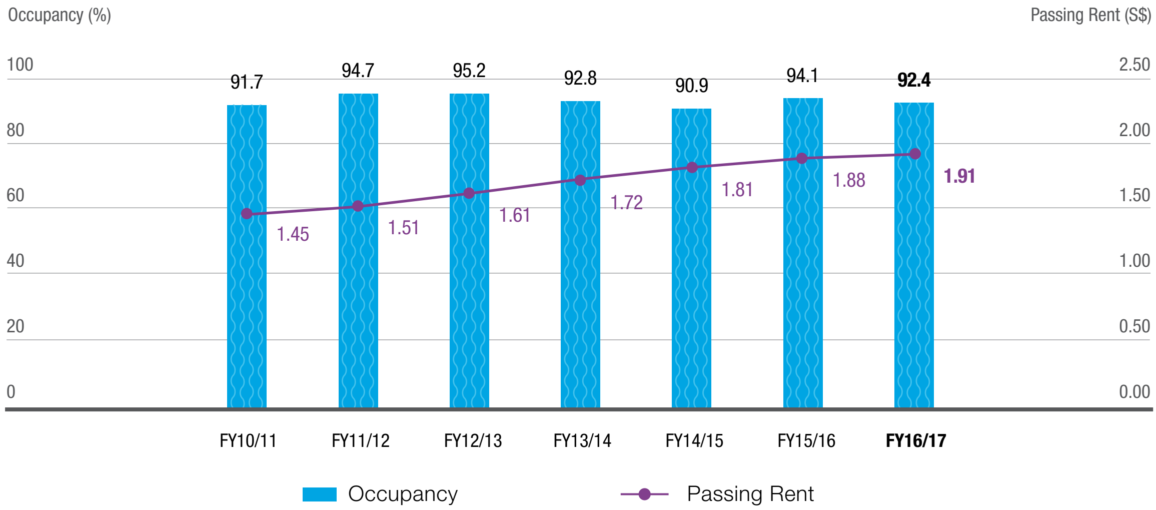
Portfolio Value (By Segment)



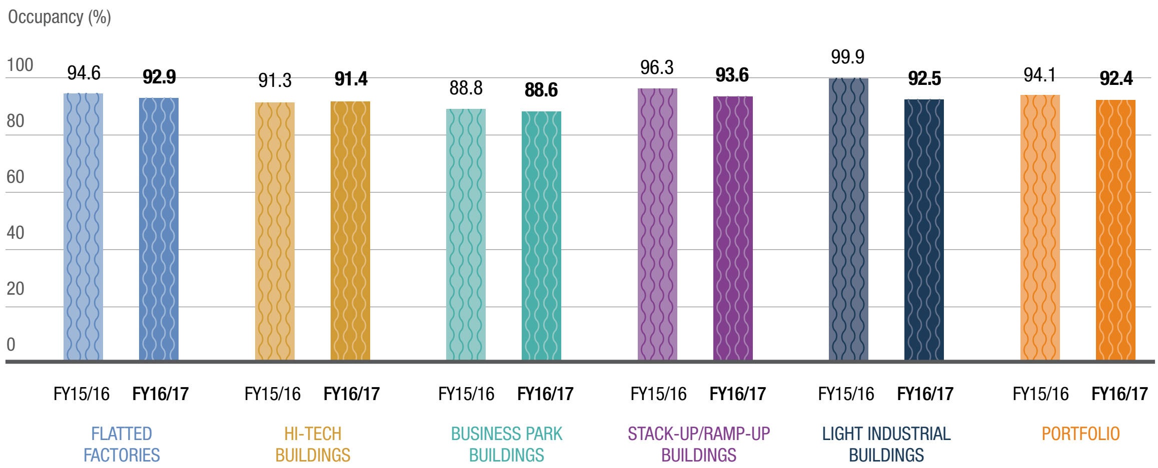
OPERATIONS
REVIEW

MIT's operational performance remained stable despite headwinds in the Singapore industrial property market. The portfolio's average passing rental rate increased by 1.6% from S$1.88 psf/mth to S$1.91 psf/mth. The improvement was driven by the commencement of the new lease for Phase One of the BTS project for HP in December 2016. Average portfolio occupancy rate fell from 94.1% in FY15/16 to 92.4% in FY16/17.

Average Occupancy Rates and Passing Rents[3]



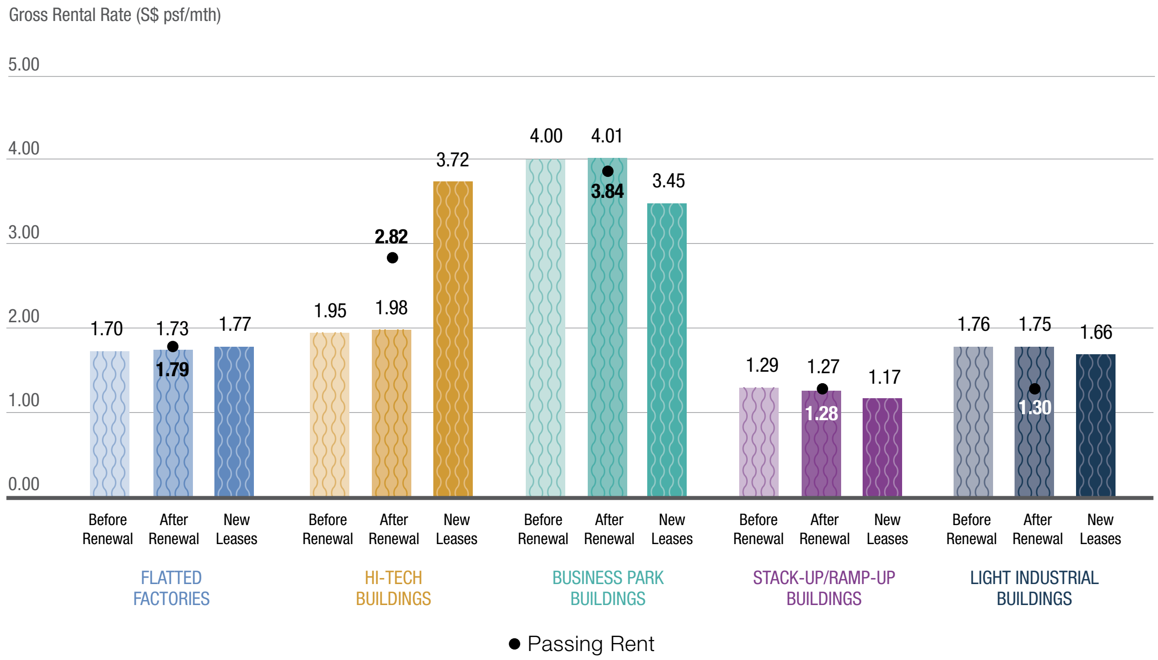
Segmental Occupancy Rates



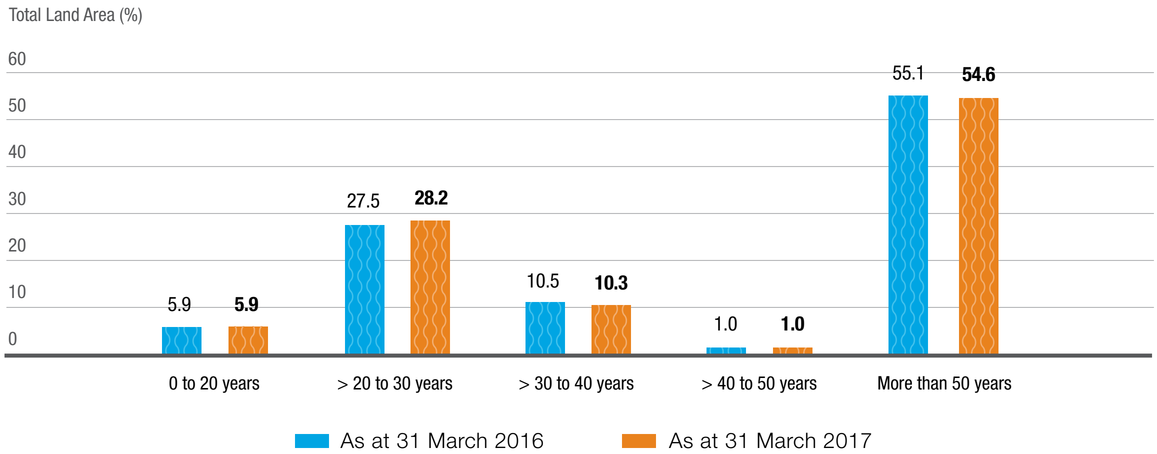
[3] All figures include properties as and when acquired by MIT and MSIT.

For FY16/17, MIT's portfolio achieved positive rental revisions for Flatted Factories, Hi-Tech Buildings and Business Park Buildings.

Rental Revisions[4] for FY16/17



Remaining Years to Expiry on Underlying Land Leases[5] (By Land Area)



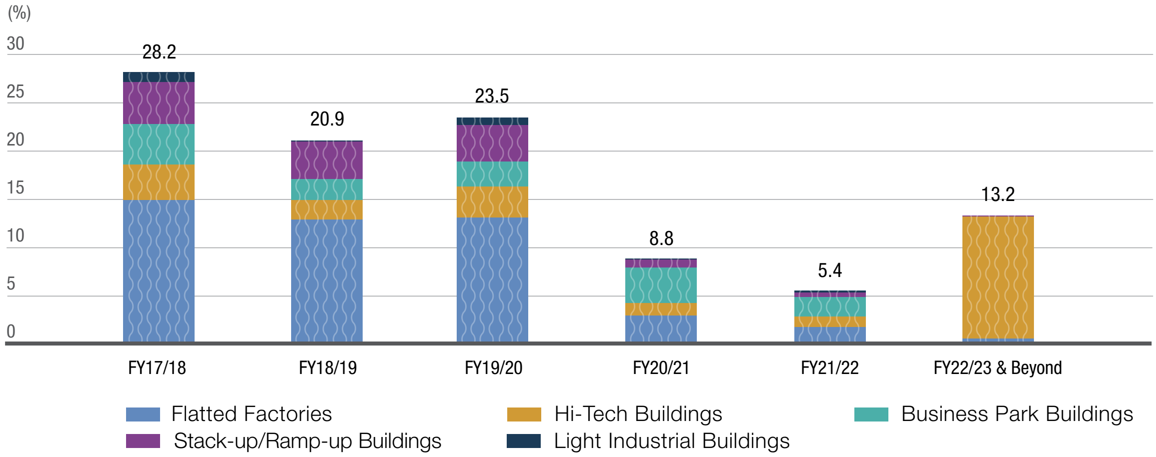
The weighted average unexpired lease term for underlying land for the properties was 39.3 years as at 31 March 2017.

[4] Gross Rental Rates figures exclude short-term leases of less than three years; except Passing Rent figures which include all leases.
[5] Exclude the options to renew.

IMPROVED LEASE EXPIRY PROFILE

MIT's lease expiry profile is well-staggered with no more than 30% of the leases (by gross rental income) due for expiry in any year. The portfolio's weighted average lease to expiry ("WALE") increased from 2.8 years as at 31 March 2016 to 3.1 years as at 31 March 2017. This was attributed to the commencement of the 10.5-year lease for Phase One of the BTS project for HP in December 2016. About 28.2% of the leases are due for renewal in FY17/18, with no concentration risk of lease expiry in any property segment or property. As part of the proactive marketing and leasing efforts, the Manager commenced renewal negotiations as early as six months ahead of the lease expirations.

Lease Expiry Profile (By Gross Rental Income)
As at 31 March 2017



As at 31 March 2017, the WALE for new and renewal leases that commenced in FY16/17, including the 10.5-year lease with HP for Phase One of the BTS development, was 4.0 years. This accounted for 30.7% of the portfolio's gross rental income.

The gross revenue contributions[6] from 77 multi-tenanted buildings and six single-user buildings for FY16/17 were 92.0% and 8.0% respectively. Multi-tenanted buildings provide organic rental revenue growth potential due to the shorter lease durations while single-user buildings offer portfolio stability with their longer lease periods and built-in rent escalations.

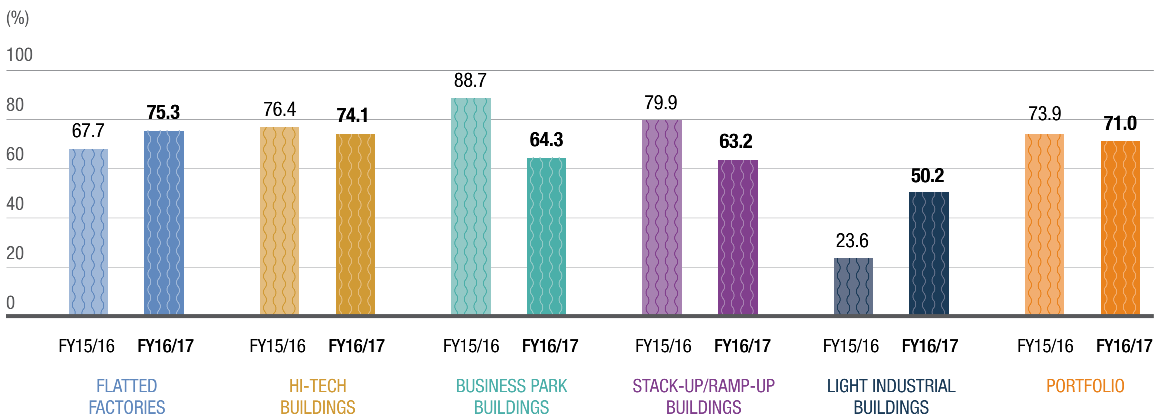
Split Between Multi-Tenanted Buildings and Single-User Buildings (By Gross Revenue)

[6] Exclude 1A Depot Close, 30A Kallang Place and Mukim 06 Lot 00869CPT, which are under development.

FOCUS ON TENANT RETENTION

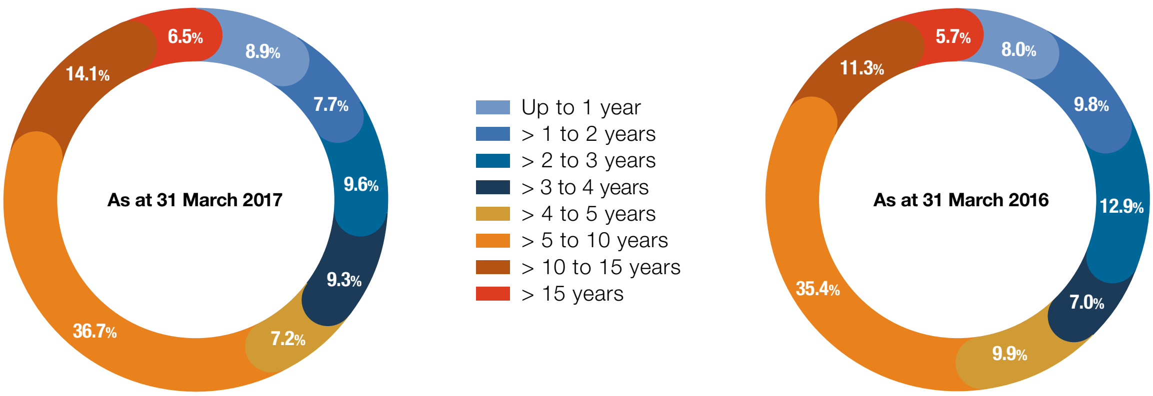
The Manager remains focused on tenant retention to maintain a stable portfolio occupancy in order to address the leasing challenge from an impending large supply of industrial space. In addition, the Manager has been intensifying its efforts to engage tenants ahead of their lease expirations. These resulted in a stable portfolio's retention rate of 71.0% in FY16/17.

Retention Rate[7]



MIT's tenants continued to demonstrate a high degree of stickiness to the portfolio. As at 31 March 2017, 20.6% of the tenants have remained in the portfolio for more than 10 years and 64.5% have been leasing space in the portfolio for more than four years. This represented a corresponding increase from 17.0% and 62.3% a year ago.

Long Staying Tenants



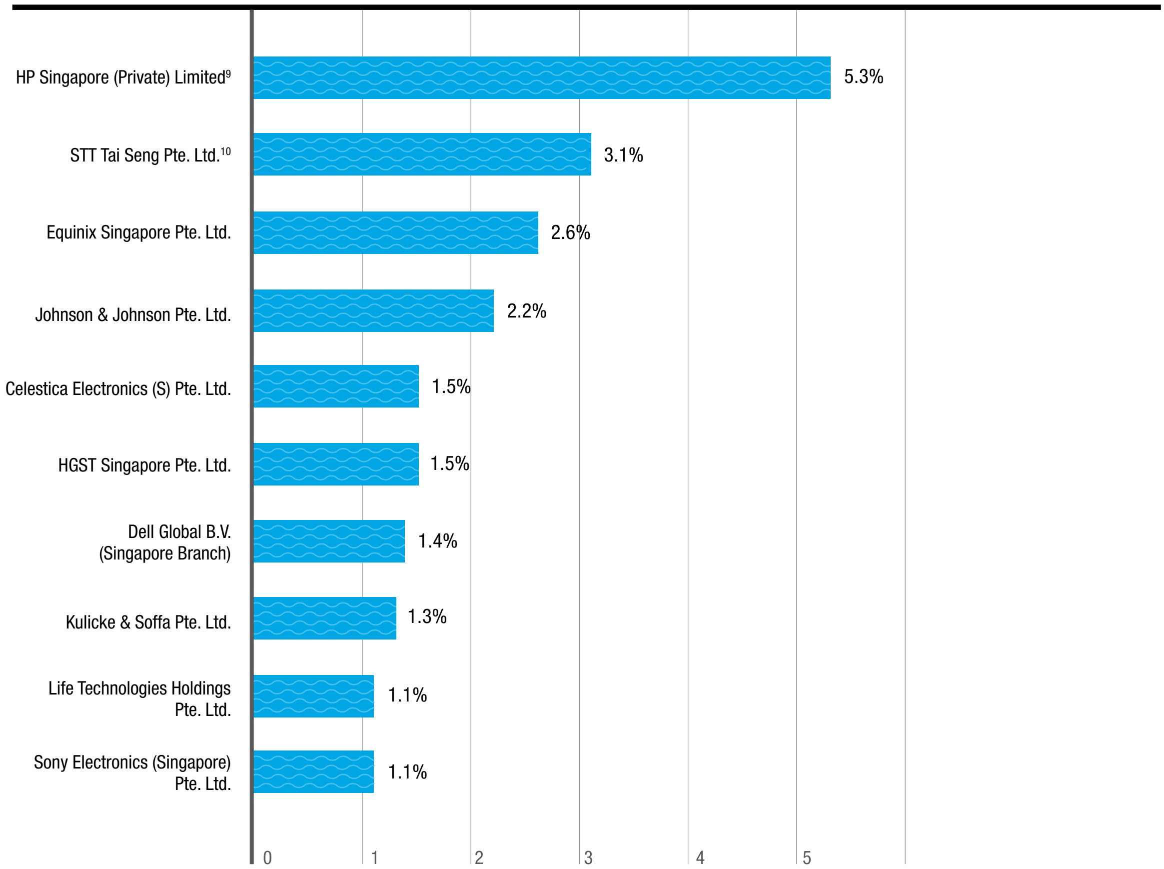
[7] Based on NLA.

LARGE AND WELL-DIVERSIFIED TENANT BASE

MIT's large and well-diversified tenant base continues to underpin the stability of MIT's portfolio. As at 31 March 2017, there were 2,217[8] tenants with 3,120 leases in MIT's portfolio.

The top 10 tenants accounted 21.1% of the portfolio's monthly gross rental income as at 31 March 2017. HP was the latest entrant to the list of top 10 tenants following its lease commencement for Phase One of the BTS facility.

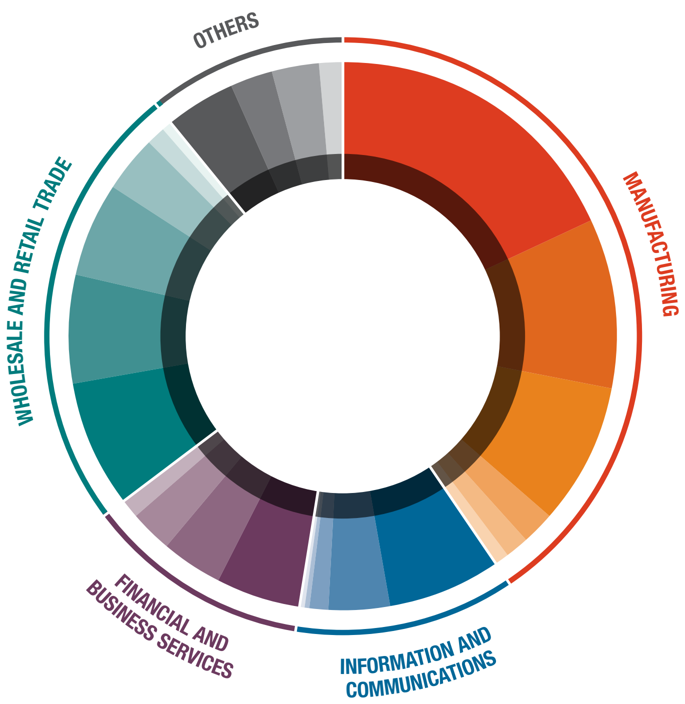
Top 10 Tenants (By Gross Rental Income)
As at 31 March 2017



No single tenant and trade sector accounted for more than 6% and 19% of the portfolio's monthly gross rental income respectively. The tenant diversification across trade sectors and low dependence on any particular tenant enabled MIT to mitigate its concentration risk and enhance its portfolio resilience.

[8] The total number of tenants in the portfolio is lower than the aggregate number of tenants in all five property segments as there are some tenants who have leases in more than one property segment.
[9] Hewlett-Packard Singapore (Private) Limited changed its name to HP Singapore (Private) Limited on 20 May 2017.
[10] Tata Communications International Pte. Ltd. novated its lease at 35 Tai Seng Street to STT Tai Seng Pte. Ltd. with effect from 13 February 2017.

Tenant Diversification across Trade Sectors (By Gross Rental Income)
As at 31 March 2017



MANUFACTURING	**40.72%**
Precision Engineering, Electrical, Machinery and Transportation Products	18.30%
Printing, Recorded Media and Essential Products	9.78%
Computer, Electronic and Optical Products	8.41%
Refined Petroleum and Chemicals	1.94%
Food and Beverage	1.51%
Pharmaceutical and Biological	0.78%

INFORMATION AND COMMUNICATIONS	**11.82%**
Telecommunications	6.70%
Computer Programming and Consultancy	3.60%
Publishing	1.10%
Other Infomedia	0.31%
Radio and TV Broadcasting	0.11%

FINANCIAL AND BUSINESS SERVICES	**12.28%**
Professional, Scientific and Technical Activities	5.13%
Admin and Support Services	3.69%
Financial Services	2.50%
Real Estate	0.96%

WHOLESALE AND RETAIL TRADE	**24.51%**
General Wholesale Trade and Services	7.57%
Wholesale Trade	6.27%
Wholesale of Machinery, Equipment and Supplies	5.75%
Retail Trade	3.33%
Specialised Wholesale	0.95%
Wholesale of Food and Beverage	0.64%

OTHERS	**10.67%**
Education, Health and Social Services, Arts, Entertainment and Recreation	4.07%
Food Services	2.68%
Construction and Utilities	2.60%
Transportation and Storage	1.32%

TENANT CREDIT RISK MANAGEMENT

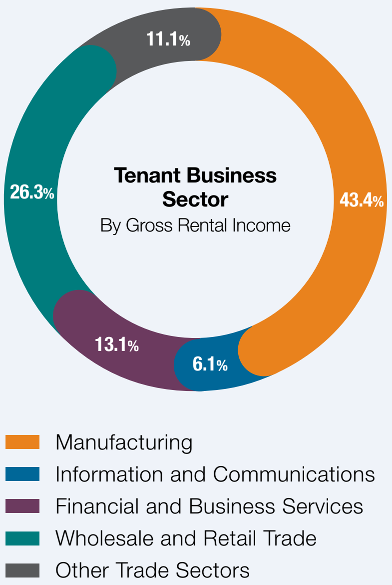
To minimise tenant credit risk, the Manager's Credit Control Committee, which comprises representatives from Asset Management, Property Management, Finance, Legal, Marketing and Lease Management Departments, meets fortnightly to review payment trends of tenants. This enables the Manager to adopt a disciplined approach in anticipating and initiating necessary actions to address potential arrears cases. The total arrears outstanding as at 31 March 2017 remained low at approximately 0.2% of gross revenue for FY16/17.

PROPERTY PORTFOLIO

FLATTED FACTORIES

Flatted Factories comprise high-rise multi-tenanted buildings. Standard units range from 1,000 sq ft to 10,000 sq ft, sharing naturally ventilated corridors and lift lobbies. Other common facilities include car parks, loading and unloading areas and cargo lifts. Selected Flatted Factories enjoy amenity centres located within the cluster.

Many of MIT's Flatted Factories are located near public housing estates, providing tenants access to a ready labour pool and the convenience of shops and services. Most of the Flatted Factories are also well-connected to major roads, expressways and Mass Rapid Transit system, offering convenient access for tenants.



Key Statistics
(As at 31 March 2017)

Number of Properties 56 (Grouped into 24 clusters)	**Gross Floor Area** 10,732,293 Sq Ft	
Number of Tenants 1,732 Tenants	**Gross Revenue (For FY16/17)** S$161.2 Million	**Net Lettable Area** 7,683,224 Sq Ft
Occupancy (For FY16/17) 92.9 %	**% of Portfolio (By Valuation)** 41.4 %	**Valuation** S$1,553.5 Million

Top Five Tenants in Flatted Factories

No	Tenant	Property/ Cluster Name	Tenant Trade Sector	% of Portfolio Gross Monthly Rental Income (As at 31 March 2017)
1	HGST Singapore Pte. Ltd.	Kaki Bukit	Computer, Electronic and Optical Products	1.5%
2	Semiconductor Technologies & Instruments Pte Ltd	Kallang Basin 6	Precision Engineering, Electrical, Machinery and Transportation Products	0.5%
3	Blackmagic Design Manufacturing Pte. Ltd.	Kolam Ayer 5	Computer, Electronic and Optical Products	0.5%
4	TWG Tea Company Pte. Ltd.	Kampong Ampat	Food Services	0.3%
5	ICM Pharma Pte. Ltd.	Kallang Basin 4	General Wholesale Trade and Services	0.3%

Flatted Factory,
Kolam Ayer 1

Flatted Factory,
Toa Payoh North 2

PROPERTY PORTFOLIO

FLATTED FACTORIES

Detailed Property Information

Description of Property	Acquisition Date	Term of Lease[1]	Remaining Term of Lease[1]	Location
Chai Chee Lane	26/08/2011	60 years	54 years	510, 512 & 514 Chai Chee Lane Singapore
Changi North	01/07/2008	60 years	51 years	11 Changi North Street 1 Singapore
Clementi West	01/07/2008	30 years	21 years	1 Clementi Loop Singapore
Kaki Bukit	01/07/2008	60 years	51 years	2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore
Kallang Basin 1	26/08/2011	20 years	14 years	5 & 7 Kallang Place Singapore
Kallang Basin 2	26/08/2011	20 years	14 years	9 & 11 Kallang Place Singapore
Kallang Basin 3	26/08/2011	30 years	24 years	16 Kallang Place Singapore
Kallang Basin 4	01/07/2008	33 years	24 years	26, 26A, 28 & 30 Kallang Place Singapore
Kallang Basin 5	01/07/2008	33 years	24 years	19, 21 & 23 Kallang Avenue Singapore
Kallang Basin 6	01/07/2008	33 years	24 years	25 Kallang Avenue Singapore
Kampong Ampat	01/07/2008	60 years	51 years	171 Kampong Ampat Singapore
Kampong Ubi	26/08/2011	60 years	54 years	3014A, 3014B & 3015A Ubi Road 1 Singapore
Kolam Ayer 1	01/07/2008	43 years	34 years	8, 10 & 12 Lorong Bakar Batu Singapore
Kolam Ayer 2	01/07/2008	43 years	34 years	155, 155A & 161 Kallang Way Singapore
Kolam Ayer 5	01/07/2008	43 years	34 years	1, 3 & 5 Kallang Sector Singapore
Loyang 1	01/07/2008	60 years	51 years	30 Loyang Way Singapore
Loyang 2	01/07/2008	60 years	51 years	2, 4 & 4A Loyang Lane Singapore
Redhill 1	01/07/2008	30 years	21 years	1001, 1001A & 1002 Jalan Bukit Merah Singapore
Redhill 2	01/07/2008	30 years	21 years	1003 & 3752 Bukit Merah Central Singapore
Tanglin Halt	01/07/2008	56 years	47 years	115A & 115B Commonwealth Drive Singapore
Tiong Bahru 1	01/07/2008	30 years	21 years	1090 Lower Delta Road Singapore
Tiong Bahru 2	01/07/2008	30 years	21 years	1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore
Toa Payoh North 2	01/07/2008	30 years	21 years	1004 Toa Payoh North Singapore
Toa Payoh North 3	01/07/2008	30 years	21 years	1008 & 1008A Toa Payoh North Singapore
Subtotal Flatted Factories				

1 Refers to the tenure of underlying land.
2 NLA excludes long strata leases at Kampong Ubi, Loyang 1 and Loyang 2.
3 Excludes stamp duties and other acquisition related costs.
4 The AEI involves the development of a new 14-storey high specification building and improvement works at the existing buildings in the Kallang Basin 4 Cluster, which was announced on 20 October 2015. The new 14-storey high specification building, 30A Kallang Place, has been reclassified as a Hi-Tech Building as at 31 March 2017.
5 Refers to the aggregate occupancy for the property segment.

GFA (sq ft)	NLA[2] (sq ft)	Purchase Price[3] S$'000	Valuation as at 31/03/2016 S$'000	Valuation as at 31/03/2017 S$'000	Gross Revenue for FY16/17 S$'000	Average Occupancy Rate for FY16/17 %
973,647	787,827	133,300	147,600	148,500	12,563	89.5
121,278	73,553	18,200	20,600	19,100	1,683	74.4
251,038	211,615	22,200	36,700	36,700	4,809	98.0
1,341,959	960,644	147,600	198,500	201,500	18,605	93.7
190,663	133,343	23,200	20,500	19,400	2,989	96.9
366,234	251,417	44,500	38,500	36,000	5,277	94.2
509,081	407,083	74,000	77,000	77,000	8,114	89.9
582,718	383,226	50,000	88,400[4]	74,400	8,395	93.8
442,422	280,440	44,300	55,400	55,400	6,304	96.7
312,694	208,240	30,900	41,000	41,000	4,744	96.9
456,708	294,776	60,300	102,700	102,700	10,702	99.6
723,427	535,901	125,300	122,900	122,900	10,354	90.3
478,901	339,706	49,300	73,100	73,100	7,503	97.9
506,726	349,610	46,100	68,000	68,000	7,200	90.9
670,586	447,312	71,900	84,600	85,000	8,914	94.0
524,842	379,348	29,000	62,600	62,900	6,284	87.3
324,253	236,248	16,800	37,400	37,700	3,734	84.3
420,184	312,539	41,500	62,900	62,900	6,736	92.1
307,657	220,476	37,500	53,000	53,000	5,923	89.8
242,384	171,688	28,900	44,400	45,700	4,397	97.8
159,831	110,574	14,500	19,000	19,000	2,274	91.3
465,554	341,671	45,800	65,100	65,100	7,797	97.1
167,186	108,867	13,700	20,500	20,500	2,620	98.3
192,320	137,120	16,400	26,000	26,000	3,274	99.3
10,732,293	**7,683,224**	**1,185,200**	**1,566,400**	**1,553,500**	**161,195**	**92.9**[5]

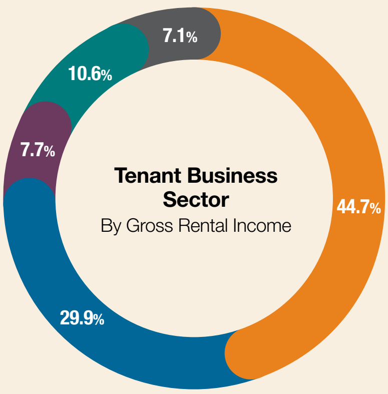
PROPERTY PORTFOLIO

HI-TECH BUILDINGS

Hi-Tech Buildings are high specification industrial buildings with higher office component for tenants in technology and knowledge-intensive sectors. They are usually fitted with air-conditioned lift lobbies and common areas. Most of MIT's Hi-Tech Buildings are occupied by anchor tenants who are involved in light industrial activities such as precision engineering and data centre operations. The tenants include multinational companies and Singapore-listed companies who are committed to long-term leases with built-in rent escalations.

Key Statistics
(As at 31 March 2017)

Number of Properties **15** (Grouped into 10 clusters)	Gross Floor Area **3,439,727** Sq Ft	
Number of Tenants **200** Tenants	Gross Revenue (For FY16/17) **S$73.7** Million	Net Lettable Area **2,749,863** Sq Ft
Occupancy (For FY16/17) **91.4** %	% of Portfolio (By Valuation) **28.8** %	Valuation **S$1,077.3** Million



- Manufacturing
- Information and Communications
- Financial and Business Services
- Wholesale and Retail Trade
- Other Trade Sectors

Top Five Tenants in Hi-Tech Buildings

No	Tenant	Property/ Cluster Name	Tenant Trade Sector	% of Portfolio Gross Monthly Rental Income (As at 31 March 2017)
1	HP Singapore (Private) Limited	1 and 1A Depot Close	Precision Engineering, Electrical, Machinery and Transportation Products	5.3%
2	STT Tai Seng Pte. Ltd.	Tata Communications Exchange	Telecommunications	3.1%
3	Equinix Singapore Pte. Ltd	26A Ayer Rajah Crescent	Telecommunications	2.6%
4	Celestica Electronics (S) Pte. Ltd.	Serangoon North, Woodlands Central and K&S Corporate Headquarters	Computer, Electronic and Optical Products	1.5%
5	Kulicke & Soffa Pte. Ltd.	K&S Corporate Headquarters	Precision Engineering, Electrical, Machinery and Transportation Products	1.3%

Hi-Tech Buildings,
1 and 1A Depot Close

Detailed Property Information

Description of Property	Acquisition Date	Term of Lease[1 2]	Remaining Term of Lease[1 2]	Location	GFA (sq ft)	NLA (sq ft)	Purchase Price S$'000	Valuation as at 31/03/2016 S$'000	Valuation as at 31/03/2017 S$'000	Gross Revenue for FY16/17 S$'000	Average Occupancy Rate for FY16/17 %
1 and 1A Depot Close[3]	01/07/2008	60 years	51 years	1 & 1A Depot Close Singapore	404,056[4]	355,003[4]	44,000[5]	219,500	371,700	5,101[4]	68.1[4]
19 Tai Seng Drive	21/10/2010	30+30 years	34 years	19 Tai Seng Drive Singapore	92,641	92,641	13,700	16,100	20,100	1,702	100.0
26A Ayer Rajah Crescent	27/01/2015[6]	30 years	26 years	26A Ayer Rajah Crescent Singapore	384,802	384,802	-	121,500	121,800	8,388	100.0
30A Kallang Place[7]	01/07/2008	33 years	24 years	30A Kallang Place Singapore	-	-	-	-	30,900	-	-
K&S Corporate Headquarters	04/10/2013[6]	30+28.5 years	54 years	23A Serangoon North Avenue 5 Singapore	332,224	285,913	-	60,200	60,500	7,462	94.5
Mukim 06 Lot 00869CPT[8]	-	30 years	30 years	Mukim 06 Lot 00869CPT	-	-	-	-	900	-	-
Serangoon North	01/07/2008	60 years	51 years	6 Serangoon North Avenue 5 Singapore	784,534	586,147	129,900[5]	164,600	165,900	17,077	91.6
Tata Communications Exchange	21/10/2010	30+30 years	52 years	35 Tai Seng Street Singapore	172,945	144,295	95,000	95,650	95,650	10,797	100.0
Toa Payoh North 1	01/07/2008	30 years	21 years	970, 978, 988 & 998 Toa Payoh North Singapore	666,851	478,198	43,400[5]	110,500	110,500	13,451	97.4
Woodlands Central	01/07/2008	60 years	51 years	33 & 35 Marsiling Industrial Estate Road 3 Singapore	601,674	422,864	39,400[5]	97,900	99,300	9,712	87.2
Subtotal Hi-Tech Buildings					**3,439,727**	**2,749,863**	**365,400**	**885,950**	**1,077,250**	**73,690**	**91.4[9]**

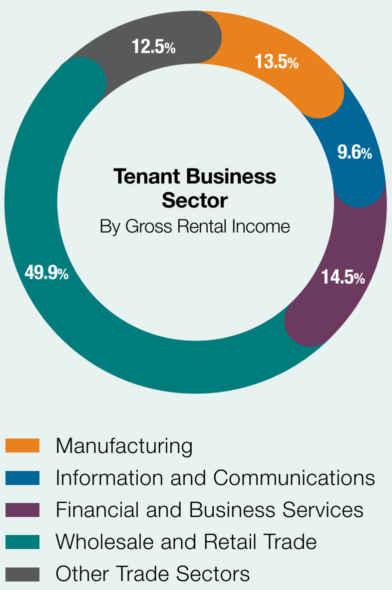
1 Refers to the tenure of underlying land.
2 Remaining term of lease includes option to renew the land leases.
3 Telok Blangah Cluster was redeveloped as a BTS facility for HP. The TOP for Phase One was obtained on 21 October 2016. The cluster was renamed after its address as 1 and 1A Depot Close.
4 Refers only to the contribution from Phase One of the BTS facility for HP.
5 Excludes stamp duties and other acquisition related costs.
6 Refers to the TOP date.
7 The new 14-storey high specification building, which was part of an AEI announced on 20 October 2015, has been reclassified as a Hi-Tech Building as at 31 March 2017.
8 Refers to a new six-storey BTS data centre under development in the West Region of Singapore, which was announced on 5 March 2017.
9 Refers to the aggregate occupancy for the property segment.

PROPERTY **PORTFOLIO**

BUSINESS PARK BUILDINGS

Business Park Buildings are high-rise multi-tenanted buildings within a landscaped environment. Fitted with air-conditioned lift lobbies and common areas, each unit can be customised to meet tenants' requirements. They serve as regional headquarters for multinational companies and spaces for research and development and knowledge-intensive enterprises.

Business Park Buildings are located within government identified "Business Park" zones, which accommodate various amenities such as food and beverage outlets, fitness centres, convenience outlets and childcare centres. They are served by good public transportation networks and are well-connected to major roads and expressways.



Key Statistics
(As at 31 March 2017)

Number of Properties
3

Gross Floor Area
1,680,726
Sq Ft

Number of Tenants
144
Tenants

Gross Revenue (For FY16/17)
S$53.5
Million

Net Lettable Area
1,199,910
Sq Ft

Occupancy (For FY16/17)
88.6
%

% of Portfolio (By Valuation)
15.1
%

Valuation
S$566.8
Million

Top Five Tenants in Business Park Buildings

No	Tenant	Property/ Cluster Name	Tenant Trade Sector	% of Portfolio Gross Monthly Rental Income (As at 31 March 2017)
1	Johnson & Johnson Pte. Ltd.	The Strategy	Wholesale Trade	2.2%
2	Dell Global B.V. (Singapore Branch)	The Strategy	Wholesale of Machinery, Equipment and Supplies	1.4%
3	Sony Electronics (Singapore) Pte. Ltd.	The Strategy	Precision Engineering, Electrical, Machinery and Transportation Products	1.1%
4	Covance (Asia) Pte Ltd	The Synergy	General Wholesale Trade and Services	0.8%
5	Tata Consultancy Services Asia Pacific Pte. Ltd.	The Signature	Computer Programming and Consultancy	0.5%

Business Park Buildings, The Strategy and The Synergy

Detailed Property Information

Description of Property	Acquisition Date	Term of Lease[1]	Remaining Term of Lease[1]	Location	GFA (sq ft)	NLA (sq ft)	Purchase Price[2] S$'000	Valuation as at 31/03/2016 S$'000	Valuation as at 31/03/2017 S$'000	Gross Revenue for FY16/17 S$'000	Average Occupancy Rate for FY16/17 %
The Signature	01/07/2008	60 years	51 years	51 Changi Business Park Central 2 Singapore	510,324	343,434	98,500	147,400	148,000	13,366	77.2
The Strategy	01/07/2008	60 years	51 years	2 International Business Park Singapore	725,171	573,864	213,900	287,200	291,700	28,086	97.9
The Synergy	01/07/2008	60 years	51 years	1 International Business Park Singapore	445,231	282,612	91,000	126,900	127,100	12,033	83.5
Subtotal Business Park Buildings					**1,680,726**	**1,199,910**	**403,400**	**561,500**	**566,800**	**53,485**	**88.6[3]**

1 Refers to the tenure of underlying land.
2 Excludes stamp duties and other acquisition related costs.
3 Refers to the aggregate occupancy for the property segment.

PROPERTY PORTFOLIO

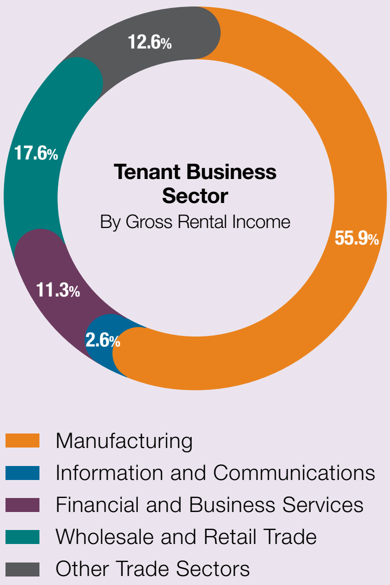
STACK-UP/RAMP-UP BUILDINGS

Stack-up/Ramp-up Buildings are multi-storey developments that serve a wide range of industrial activities. Principal activities included precision engineering, semiconductor assembly and manufacturing of products like dies, moulds, tools and commodities.

Each unit within the six-storey stack-up buildings is a standalone factory with its own loading and unloading area and parking lots. Each level of the eight-storey ramp-up building resembles a typical Flatted Factory's ground floor. Units located on each floor of the ramp-up building share a common loading and unloading area.

Key Statistics
(As at 31 March 2017)

Number of Properties: 7 (Grouped into 1 cluster)	Gross Floor Area: 3,714,473 Sq Ft	
Number of Tenants: 133 Tenants	Gross Revenue (For FY16/17): S$44.4 Million	Net Lettable Area: 3,034,180 Sq Ft
Occupancy (For FY16/17): 93.6 %	% of Portfolio (By Valuation): 12.1 %	Valuation: S$454.9 Million



Top Five Tenants in Stack-up/Ramp-up Buildings

No	Tenant	Property/ Cluster Name	Tenant Trade Sector	% of Portfolio Gross Monthly Rental Income (As at 31 March 2017)
1	Univac Precision Engineering Pte. Ltd.	Woodlands Spectrum	Precision Engineering, Electrical, Machinery and Transportation Products	0.7%
2	Ultra Clean Asia Pacific Pte. Ltd.	Woodlands Spectrum	Precision Engineering, Electrical, Machinery and Transportation Products	0.6%
3	Leica Geosystems Technologies Pte. Ltd.	Woodlands Spectrum	Computer, Electronic and Optical Products	0.4%
4	NIP Asia Pte Ltd	Woodlands Spectrum	Printing, Recorded Media and Essential Products	0.3%
5	Sys-Mac Automation Engineering Pte Ltd	Woodlands Spectrum	Precision Engineering, Electrical, Machinery and Transportation Products	0.3%

Stack-up/Ramp-up Buildings, Woodlands Spectrum

Detailed Property Information

Description of Property	Acquisition Date	Term of Lease[1]	Remaining Term of Lease[1]	Location	GFA (sq ft)	NLA[2] (sq ft)	Purchase Price[3] S$'000	Valuation as at 31/03/2016 S$'000	Valuation as at 31/03/2017 S$'000	Gross Revenue for FY16/17 S$'000	Average Occupancy Rate for FY16/17 %
Woodlands Spectrum 1 and 2	01/07/2008	60 years	51 years	2 Woodlands Sector 1, 201, 203, 205, 207, 209 & 211 Woodlands Avenue 9 Singapore	3,714,473	3,034,180	265,000	447,800	454,900	44,389	93.6
Subtotal Stack-up/Ramp-up Buildings					**3,714,473**	**3,034,180**	**265,000**	**447,800**	**454,900**	**44,389**	**93.6**

1 Refers to the tenure of underlying land.
2 NLA excludes long strata leases at Woodlands Spectrum 1 and 2.
3 Excludes stamp duties and other acquisition related costs.

PROPERTY PORTFOLIO

LIGHT INDUSTRIAL BUILDINGS

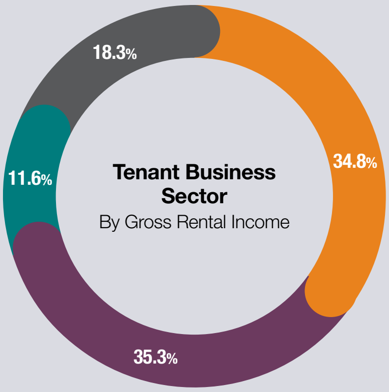
Light Industrial Buildings consist of medium to high-rise developments. They are located in central locations or in areas with access to key transportation nodes. Each building is occupied by an anchor tenant who is involved in a light industrial activity such as precision engineering or multimedia manufacturing.

Key Statistics
(As at 31 March 2017)

Number of Properties	Gross Floor Area	
5	556,546 Sq Ft	

Number of Tenants	Gross Revenue (For FY16/17)	Net Lettable Area
14 Tenants	S$7.8 Million	517,875 Sq Ft

Occupancy (For FY16/17)	% of Portfolio (By Valuation)	Valuation
92.5 %	2.6 %	S$96.2 Million



Manufacturing
Financial and Business Services
Wholesale and Retail Trade
Other Trade Sectors

Top Five Tenants in Light Industrial Buildings

No	Tenant	Property/ Cluster Name	Tenant Trade Sector	% of Portfolio Gross Monthly Rental Income (As at 31 March 2017)
1	Heptagon Micro Optics Pte. Ltd.	26 Woodlands Loop	Computer, Electronic and Optical Products	0.6%
2	Aureumaex Industries (S) Pte. Ltd.	2A Changi North Street 2	Education, Health and Social Services, Arts Entertainment and Recreation	0.3%
3	Metech International Limited	65 Tech Park Crescent	Admin and Support Services	0.3%
4	LSW Pte. Ltd.	19 Changi South Street 1	Printing, Recorded Media and Essential Products	0.2%
5	Centurion Corporation Limited	45 Ubi Road 1	Financial Services	0.2%

Light Industrial Building,
26 Woodlands Loop

Detailed Property Information

Description of Property	Acquisition Date	Term of Lease[1 2]	Remaining Term of Lease[1 2]	Location	GFA (sq ft)	NLA (sq ft)	Purchase Price S$'000	Valuation as at 31/03/2016 S$'000	Valuation as at 31/03/2017 S$'000	Gross Revenue for FY16/17 S$'000	Average Occupancy Rate for FY16/17 %
2A Changi North Street 2	28/05/2014	30+30 years	44 years	2A Changi North Street 2 Singapore	67,845	67,845	12,000[3]	14,100	14,100	1,120	100.0
19 Changi South Street 1	21/10/2010	30+30 years	40 years	19 Changi South Street 1 Singapore	74,900	71,075	12,400	14,000	14,000	1,024	52.8
26 Woodlands Loop	21/10/2010	30+30 years	38 years	26 Woodlands Loop Singapore	155,818	148,450	21,900	25,500	25,500	2,164	100.0
45 Ubi Road 1	21/10/2010	30+30 years	36 years	45 Ubi Road 1 Singapore	150,610	123,132	23,500	25,000	25,000	2,391	95.8
65 Tech Park Crescent	21/10/2010	60 years	36 years	65 Tech Park Crescent Singapore	107,373	107,373	13,200	17,600	17,600	1,107	100.0
Subtotal Light Industrial Buildings					**556,546**	**517,875**	**83,000**	**96,200**	**96,200**	**7,806**	**92.5[4]**

1 Refers to the tenure of underlying land.
2 Remaining term of lease includes option to renew the land leases.
3 Excludes stamp duties and other acquisition related costs.
4 Refers to the aggregate occupancy for the property segment.

PROPERTY PORTFOLIO
AT A GLANCE

FLATTED FACTORIES


1 Chai Chee Lane


2 Changi North


3 Clementi West

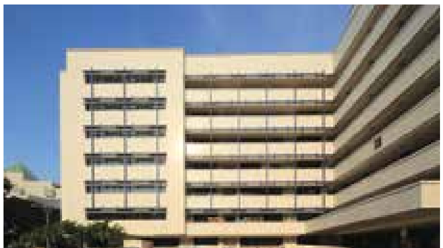

4 Kaki Bukit


5 Kallang Basin 1


6 Kallang Basin 2


7 Kallang Basin 3

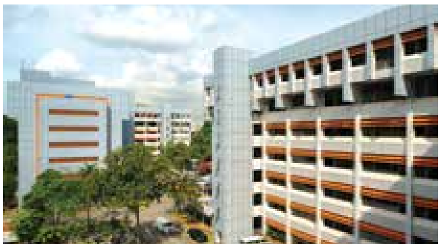

8 Kallang Basin 4


9 Kallang Basin 5


10 Kallang Basin 6


11 Kampong Ampat


12 Kampong Ubi

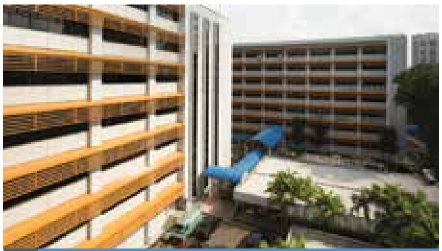

13 Kolam Ayer 1


14 Kolam Ayer 2


15 Kolam Ayer 5


16 Loyang 1


17 Loyang 2


18 Redhill 1


19 Redhill 2


20 Tanglin Halt


21 Tiong Bahru 1

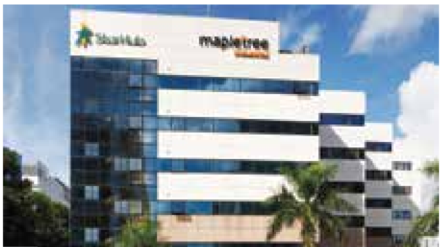

22 Tiong Bahru 2


23 Toa Payoh North 2


24 Toa Payoh North 3

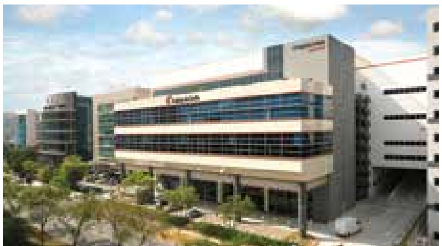
HI-TECH BUILDINGS


25 1 and 1A Depot Close[1]


26 19 Tai Seng Drive


27 26A Ayer Rajah Crescent


28 30A Kallang Place[2]

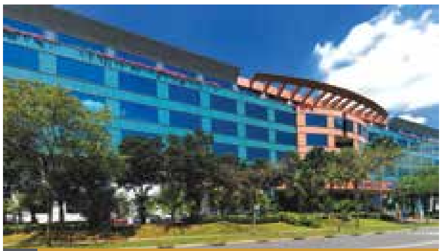

29 K&S Corporate Headquarters


30 Mukim 06 Lot 00869CPT[3]

1 Telok Blangah Cluster was redeveloped as a BTS facility for HP. The TOP for Phase One was obtained on 21 October 2016. The cluster was renamed after its address as 1 and 1A Depot Close.
2 The new 14-storey high specification building, which was part an AEI announced on 20 October 2015, has been reclassified as a Hi-Tech Building as at 31 March 2017.
3 Refers to a new six-storey BTS data centre under development in the West Region of Singapore, which was announced on 5 March 2017.

PROPERTY PORTFOLIO
AT A GLANCE

HI-TECH BUILDINGS


31 Serangoon North


32 Tata Communications Exchange


33 Toa Payoh North 1


34 Woodlands Central

BUSINESS PARK BUILDINGS

35 The Signature


36 The Strategy


37 The Synergy

STACK-UP/RAMP-UP BUILDINGS


38 Woodlands Spectrum 1 and 2

LIGHT INDUSTRIAL BUILDINGS


39 2A Changi North Street 2


40 19 Changi South Street 1


41 26 Woodlands Loop


42 45 Ubi Road 1


43 65 Tech Park Crescent

SINGAPORE INDUSTRIAL
PROPERTY MARKET OVERVIEW

KNIGHT FRANK PTE LTD CONSULTANCY & RESEARCH
26 MAY 2017

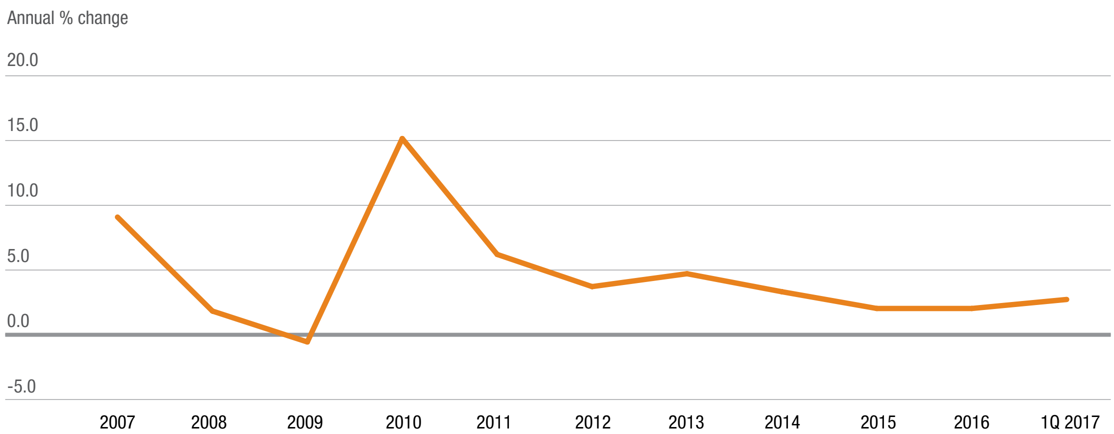
1 OVERVIEW OF THE SINGAPORE ECONOMY

1.1 Singapore Economic Performance

Singapore's Gross Domestic Product ("GDP") expanded by 2.0% in 2016, similar to the 1.9% growth in 2015. The manufacturing sector grew 3.6% in 2016, a reversal from the 5.1% decline in 2015. The strong growth was led by the electronics cluster, the biomedical manufacturing cluster and the precision engineering cluster at 15.8%, 13.6% and 0.9% year-on-year growth respectively. In contrast, the transport engineering cluster, the general manufacturing cluster and the chemicals cluster contracted by 17.2%, 2.4% and 1.0% year-on-year respectively.

According to the Ministry of Trade and Industry ("MTI"), Singapore's GDP grew 2.7% year-on-year in 1Q 2017, easing from the 2.9% growth in 4Q 2016.

Exhibit 1.1: Singapore GDP Growth Rate, 2007 to 1Q 2017*



Source: MTI, Singstat, Knight Frank Research
* Based on MTI estimates as at 25 May 2017

Singapore received close to S$5.9 billion in total manufacturing fixed asset investment ("FAI") for the whole of 2016, 29.2% lower than the S$8.3 billion for 2015. The cutback in investment was largely broad-based, with the most significant 64.1% annual decline from the chemicals cluster, which accounted for 22.4% of total manufacturing FAI. The electronics cluster, constituting 37.9% of total manufacturing FAI, saw investment commitments fall by 32.6% in 2016.

1.2 Singapore Economic Outlook for 2017

The Singapore economy is projected to grow at a relatively moderate pace for the rest of the year as sectors such as electronics, information & communications and 'other services industries' are likely to support growth, while the wholesale trade and finance & insurance sectors could continue to face external headwinds.

In the second half of 2017, Singapore's open economy remains susceptible to market volatilities largely influenced by unfolding global events. While global growth has improved slightly at the start of 2017 on the back of positive economic growth prospects in key economies such as the United States, Japan and Southeast Asia, downside risks in the global economy persist. Political risks and the lack of clarity on the policies of the new United States administration as well as uncertainties from United Kingdom's exit from European Union and rising corporate debt levels amid economic restructuring in China could affect business and consumer confidence both globally and in Singapore.

Against this macroeconomic backdrop and barring full actualisation of downside risks, MTI forecasts GDP annual growth at 1.0% to 3.0%. The manufacturing sector is forecast to see an uptick in performance with the prospect of sustained global demand for semiconductors and semiconductor equipment, while the marine & offshore engineering segment and firms supporting the oil and gas industry are likely to experience continual challenges and muted demand conditions amidst low oil prices. Externally-oriented services sectors such as finance & insurance and wholesale trade are expected to remain subdued. On potential growth sectors, information & communications and 'other services industries' are likely to continue to support growth, while tourism-related sectors such as accommodation & food services could benefit from a boost in travel demand as global economic outlook improves.

To address the uneven performances across the different sectors in 2016, the recent Singapore Budget 2017 was structured beyond the conventional stimulus with a long-term perspective and targeted more towards issues faced by different sectors. Enterprises are encouraged to develop deep capabilities, particularly in the areas of digital technology and innovation and to scale up globally and come together in partnerships within the industry. To facilitate these partnerships, the 23 industries with Industry Transformation Maps ("ITMs") are developed, which make up 80% of the Singapore economy. The ITMs are categorised under six clusters comprising the manufacturing, built environment, trade and connectivity, essential domestic services, modern services and lifestyle clusters.

2 INDUSTRIAL PROPERTY MARKET OVERVIEW

2.1 Consolidation of HDB Industrial Land and Properties Under JTC

On 19 October 2016, JTC Corporation ("JTC") announced that by 1Q 2018, some 10,700 industrial units and 540 industrial land leases under the Housing & Development Board ("HDB") will be transferred to JTC. The consolidation of all public sector industrial land and properties under a single government agency will enable the Government to better support industrialists, in particular small and medium enterprises ("SMEs"), in their business growth. According to JTC, the contracted terms and conditions of all HDB tenancies and leases will remain unchanged for the duration of the tenancies or lease contracts. With the consolidation, some 16,300 industrial units and 3,640 land leases with a total land area of 8,100 hectares will be under JTC's fold[1].

[1] Source: The Business Times: 'All HDB Industrial Space to be under JTC by Q1 2018', 20 October 2016

2.2 Industrial Government Land Sales ("IGLS") Programme for 1H 2017

Against the backdrop of the subdued economy and muted sentiment from industrialists, only a total of six industrial sites with a combined site area of 3.27 hectares are listed on the 1H 2017 IGLS programme. Four of the six confirmed sites under the 1H 2017 IGLS programme are located in Tuas South, the West Region of Singapore. The remaining two sites are in the East and North Regions. All sites are zoned for Business 2 usage and have shorter land tenures of 20 years, to help industrialists manage their land acquisition/occupancy cost.

Exhibit 2.1: IGLS Programme for 1H 2017

IGLS Programme – 1H 2017					
Confirmed List of Industrial Sites					
Location	**Site Area (ha)**	**Zoning**	**Gross Plot Ratio**	**Tenure (years)**	**Estimated Launch Month**
Plot 15, Tuas South Link 3*	0.50	B2	1.4	20	January 2017
Plot 3, Tampines North Drive 3**	0.58	B2	2.5	20	February 2017
Plot 24, Tuas South Link 3*	0.49	B2	1.4	20	March 2017
Plot 18, Tuas South Link 3	0.43	B2	1.4	20	April 2017
Plot A, Jalan Lam Huat	0.80	B2	2.5	20	May 2017
Plot 10, Tuas South Link 2	0.47	B2	1.4	20	June 2017
Total	**3.27**				
Reserve List of Industrial Sites					
Tuas Bay Close*	2.72	B2	1.7	30	Available
Woodlands Height*	1.60	B1	2.5	30	Available
Plot 13, Tuas South Link 1*	2.40	B2	2.0	30	Available
Plot 25, Tuas South Link 3	0.47	B2	1.4	20	May 2017
Plot 21, Tuas South Link 3	0.79	B2	1.4	20	June 2017
Total	**7.98**				

Source: MTI, Knight Frank Research, as at 23 December 2016

* Previously in the 2H 2016 Reserve List.

** Previously in the 1H 2016 Confirmed List.

2.3 Industrial Prices and Investment Market

Investment sales of private factories (including business parks) totalled S$3.14 billion[2] for the whole of 2016, with 1H 2016 and 2H 2016 periods registering investment sales values of S$288.2 million and S$2.85 billion, respectively.

Exhibit 2.2: Major Private Factory Investment Sales in 2016

Key Private Factory Investment Sales					
Property	Location	Tenure	Purchaser	GFA (sq ft)	Price (S$)
12/14/16 Science Park Drive	12/14/16 Science Park Drive	99 years with effect from 1 June 1982	Ascendas REIT	N.A.	420,000,000
Keppel DC Singapore 3 (90% stake)	Tampines	N.A.	Keppel DC REIT	N.A.	202,500,000
Bukit Batok Connection	Bukit Batok Street 23	30 years with effect from 26 November 2012	Soilbuild Business Space REIT	403,592	96,300,000
6 Chin Bee Avenue	Chin Bee Avenue	30 years with effect from 16 October 2013	Sharikat National	324,166	87,300,000

Source: JTC, REALIS, Knight Frank Research

3 REVIEW OF MULTIPLE-USER FACTORY MARKET SEGMENT

3.1 Existing and Potential Supply

As at 1Q 2017, the total existing stock for multiple-user factory stood at approximately 115.2 million sq ft NLA, which forms 23% of total industrial stock island-wide.

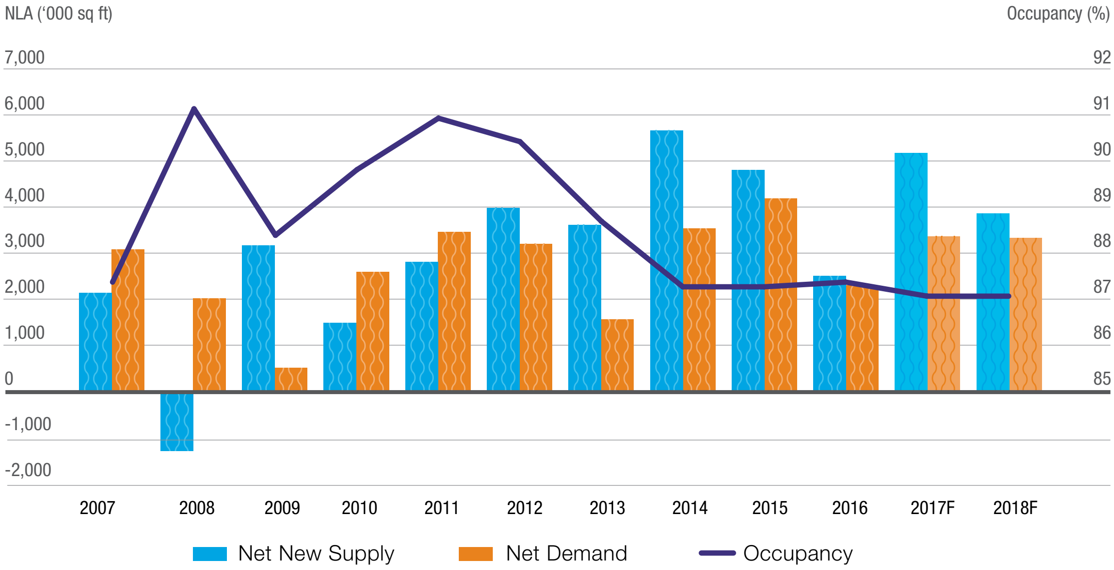
The multiple-user factory stock increased by 2.5 million sq ft annually in 2016 and by another 1.4 million sq ft in 1Q 2017.

As at 1Q 2017, an estimated 7.7 million sq ft of new multiple-user factory space is slated for completion between 2017 and 2018. On average, this works out to an annual net potential supply of 3.9 million sq ft of multiple-user factory space between 2017 and 2018, which is lower compared to the last five-year average of 4.1 million sq ft per annum between 2012 and 2016.

[2] Estimates accurate as at 26 May 2017.
To be considered as private investment sales under Knight Frank Research definition, it must fulfil either one of the following pre-requisite:-
- Investment transactions should comprise an entire building or property with a total worth of S$10 million and above; or
- Any bulk sales within a development which amount to S$10 million or more.

* Figures stated are based on NLA.

Exhibit 3.1: Net New Supply, Net Demand and Occupancy of Multiple-User Factory Space[3]



Source: JTC, Knight Frank Research

3.2 Demand and Occupancy

Net demand of multiple-user factory space declined by 46.4% year-on-year to 2.3 million sq ft in 2016, compared to 4.2 million sq ft in 2015. In 1Q 2017, 850,000 sq ft of multiple-user factory space was taken up by industrialists.

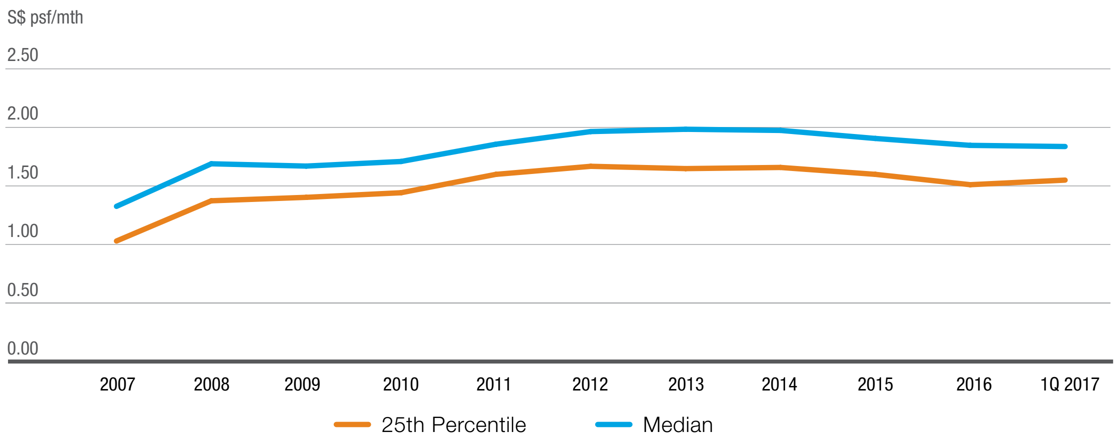
Occupancy for multiple-user factory hovered between 87.0% and 88.6% during 2014 to 2016, on the back of higher new supply of multiple-user factory space since 2012. The occupancy rate was at 87.0% in 1Q 2017.

3.3 Rents

According to data from JTC, multiple-user factory rents exhibited mixed trends in 1Q 2017. Rentals rose from S$1.51 psf/mth in 2016 to S$1.55 psf/mth in 1Q 2017 at the 25th percentile level; rentals declined marginally from S$1.84 psf/mth in 2016 to S$1.83 psf/mth in 1Q 2017 at the median level. An influx of newly completed multiple-user factory developments between 2012 and 2016 has led to higher competition for tenants. As net demand fell short of net new supply in 2015 and 2016, some landlords adjusted their rents to maintain occupancy.

[3] Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% and 90% space efficiency factors for multiple-user and single-user factory developments, respectively.

Exhibit 3.2: Rents of Multiple-User Factory Space



Source: REALIS, Knight Frank Research

3.4 Outlook

The confluence of various macro factors - slight improvement in outlook for the global and local economy at the start of 2017 versus continued geopolitical uncertainties - is envisaged to have a bearing on the performance of the manufacturing sector. The prospects of sustained growth in the electronics and precision engineering clusters for the rest of 2017 could provide support for related SMEs. Leasing enquiries for multiple-user factory space is observed to have increased since the end of 1Q 2017 as industrialists started to explore real estate space for their longer-term business needs. However, it remains to be seen if most of these enquiries could translate to actual space demand as cost prudence generally takes priority for SMEs. Coupled with an upcoming injection of 4.5 million sq ft GFA (estimated 3.9 million sq ft NLA) of new multiple-user factory space in the next three quarters of 2017, average rents for multiple-user factory space is envisaged to exhibit general decline of between -7% and -5% year-on-year in 4Q 2017, barring unforeseen macroeconomic circumstances and policy changes.

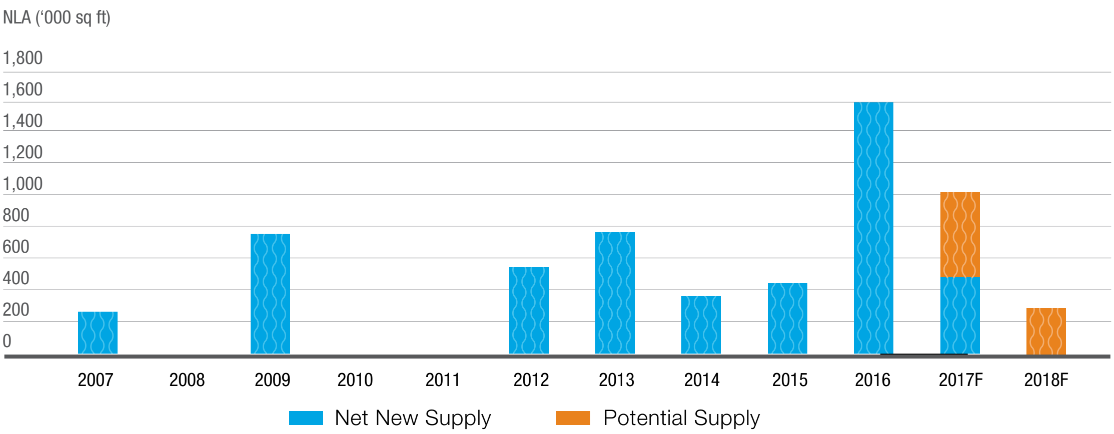
4 REVIEW OF HIGH-SPECIFICATION[4] INDUSTRIAL SPACE

4.1 Existing and Potential Supply

There are no official statistics tracking high-specification industrial space in Singapore. Based on Knight Frank's classification, there is approximately 14.0 million sq ft of high-specification industrial space as at the end of 2016. Some projects that were completed in 2016 include JTC Space @ Tampines, Philips Electronics Headquarters at Toa Payoh and DC West data centre located at 8 Yung Ho Road. In 1Q 2017, a total of 485,000 sq ft of high-specification industrial space was completed. Another 535,000 sq ft of high-specification industrial space is due to complete by end-2017.

[4] Knight Frank defines high-specification industrial space with higher office content for tenants in technology and knowledge-intensive sector, and may include activities such as precision engineering and data centre operations. Such developments typically house multinational companies and large Singapore firms that are anchor tenants, which incorporate their headquarters with manufacturing, research and development and engineering activities.

Exhibit 4.1: Net New Supply and Potential Supply of High-Specification Industrial Space[5]



Source: JTC, Knight Frank Research

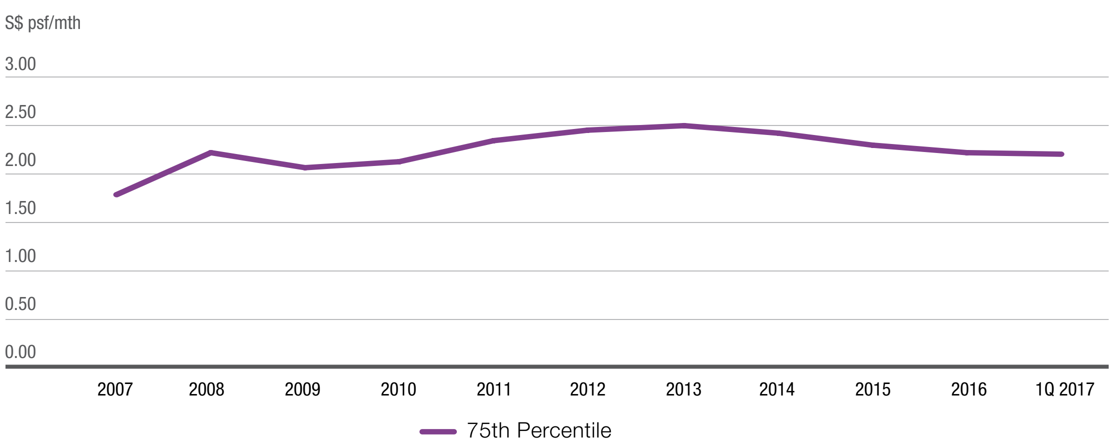
4.2 Demand and Occupancy

Occupancy for high-specification industrial space improved from 82.6% in 2015 to 86.1% in 2016. With slower global trade activities and higher business costs, some multinational companies and large Singapore firms have consolidated their office and industrial operations in business parks or high-specification industrial spaces.

4.3 Rents

Rents for high-specification industrial space ranged between S$2.23 psf/mth and S$5.24 psf/mth in 2016, with rental range tightening to between S$2.20 psf/mth and S$4.84 psf/mth in 1Q 2017.The wide spectrum of rents is largely due to the nature of the high-specification industrial space, which could range from general industrial trades to sophisticated BTS spaces catered for the research and development industries. Rents for high-specification industrial space are seen to have stabilised, albeit with modest rental declines, in 2015 and 2016 compared to steeper rental falls in 2014.

Exhibit 4.2: Rents of High-Specification Industrial Space[6]



Source: REALIS, Knight Frank Research

[5] Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% space efficiency factors for high-specification industrial space.

[6] Knight Frank assumes 75th percentile rents for multiple-user factory to be estimated rents for high specification multiple-user factory developments.

4.4 Outlook

With the government's continuing push to transform Singapore's manufacturing sector towards higher value-add and integrated operations, the demand for high-specification industrial space is poised to be stable in the near term. As landlords of older properties explore ways to meet the emerging needs of industrialists, more AEI could be underway to redevelop older properties with higher specifications. Demand for BTS spaces from specialised large space industrialists is envisaged to pick up as more multinational companies and established home-grown companies explore to consolidate their operations in industrial spaces with better and relevant specifications.

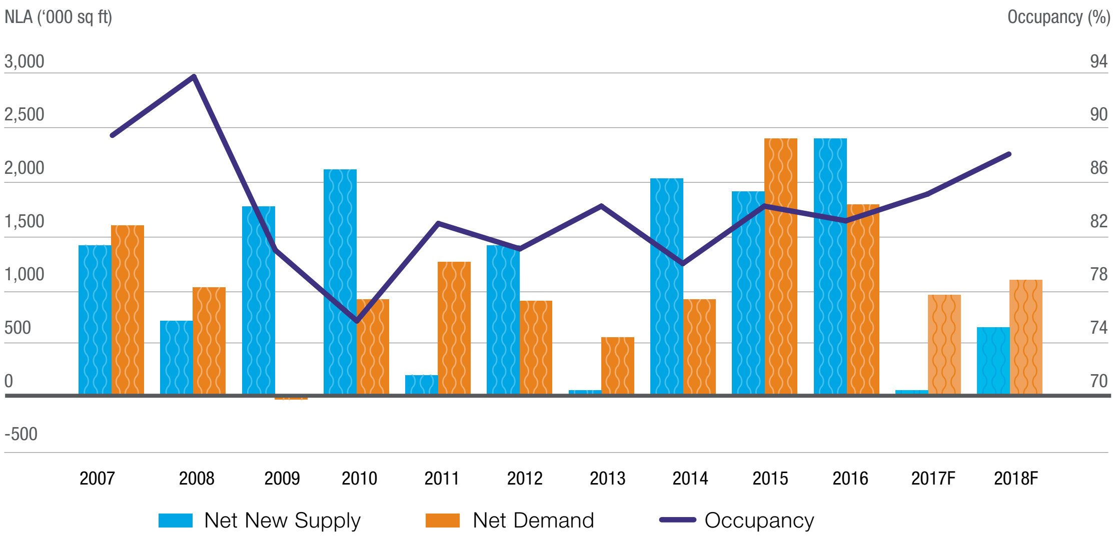
5 REVIEW OF BUSINESS PARK SPACE

5.1 Existing and Potential Supply

As at 1Q 2017, the total existing stock for business park space was approximately 23.0 million sq ft NLA.

A total of 2.4 million sq ft of business park space was completed in 2016. As at 1Q 2017, an estimated 695,000 sq ft of new business park space will be completed in 2017 and 2018. There is no new business park space beyond 2018.

Exhibit 5.1: Net New Supply, Net Demand and Occupancy of Business Park Space[7]



Source: JTC, Knight Frank Research

5.2 Demand and Occupancy

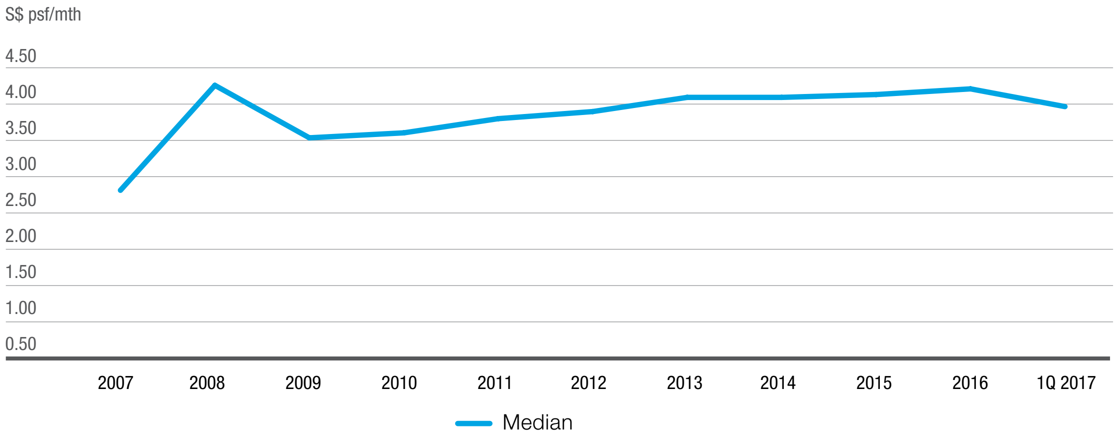
Net demand of business park space fell to 1.8 million sq ft in 2016, compared to 2.4 million sq ft in 2015. Nonetheless, with industrialists progressively shifting into the net new supply of 6.3 million sq ft of business park space that was completed between 2014 and 2016, occupancy improved from 79.8% in 2014 to 83.0% in 2016. In 1Q 2017, 237,000 sq ft of business park space was taken up by industrialists, leading to an increase in occupancy to 84.1% for the same period.

[7] Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% space efficiency factors for business park development.

5.3 Rent

According to data from JTC, business park rents at the 25th percentile, median and 75th percentile levels improved between 1.3% and 4.7% year-on-year in 2016, to S$3.90 psf/mth, S$4.22 psf/mth and S$4.77 psf/mth, respectively. Median rents in 1Q 2017 reached S$3.97 psf/mth. With the completion of new and better quality business park space, largely located in the fringe area, rents for business parks have shown improvements between 2014 and 2016.

Exhibit 5.2: Rents of Business Park Space



Source: REALIS, Knight Frank Research

5.4 Outlook

Against the backdrop of potential stable demand from a larger pool of qualifying trades such as technology, media and telecommunications, medical technology and e-commerce, the outlook for business park space is envisaged to stay fairly healthy in 2017. With the improved occupancy of business park space and the sustained rental differential between office and business park rentals, the 'flight for rent savings' from office to business park spaces by qualifying tenants is envisaged to remain stable from mid-2017 moving forward.

Supported by the limited new supply of business park space beyond 2016 despite the prevailing modest economic outlook, occupancy is likely to improve further especially for better-designed and well-located business park developments in 2017. Island-wide occupancy is expected to hover between 83.0% to 85.0%, while rents may see sideway trending of between -1% to 2% year-on-year growth by 4Q 2017.

6 REVIEW OF STACK-UP[8] FACTORY SPACE

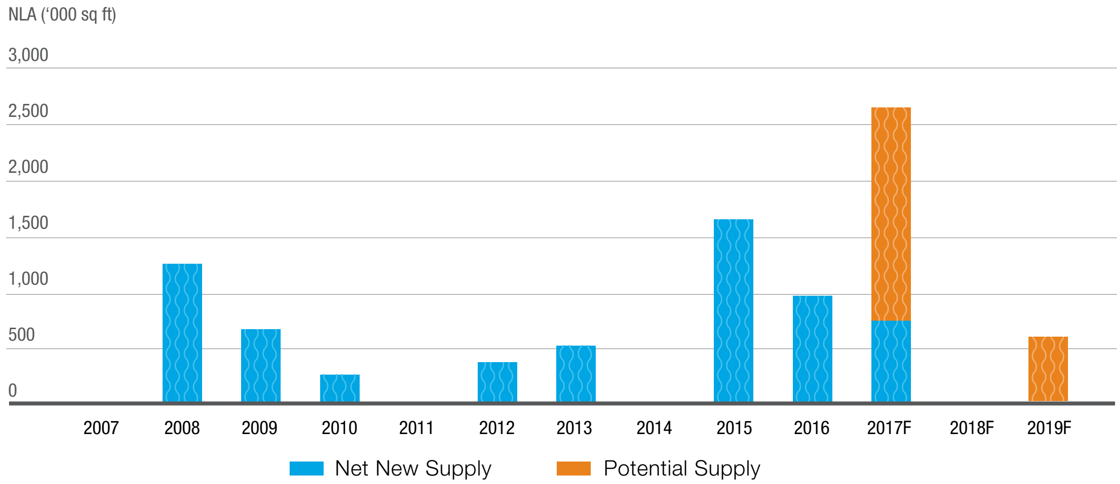
6.1 Existing and Potential Supply

There are no official statistics tracking stack-up factory space in Singapore. Based on Knight Frank's classification, there is approximately 5.6 million sq ft of stack-up factory space as at the end of 2016. In 1Q 2017, another 764,000 sq ft of stack-up factory space was completed. An additional 2.4 million sq ft of stack-up factory space is projected to complete by 2019. In particular, the JTC Space @ Tuas, which covers over 1.6 million sq ft GFA, will cater to a diverse range of industrial sectors and is projected to complete in 2017. There is no known stack-up factory new supply beyond 2019.

[8] Knight Frank defines stack-up factory space as large floor plate multiple-user factory developments of above150,000 sq ft NLA, and has ramp up access to upper floors.

SINGAPORE INDUSTRIAL
PROPERTY MARKET OVERVIEW

Exhibit 6.1: Net New Supply and Potential Supply of Stack-Up Factory Space[9]



Source: JTC, Knight Frank Research

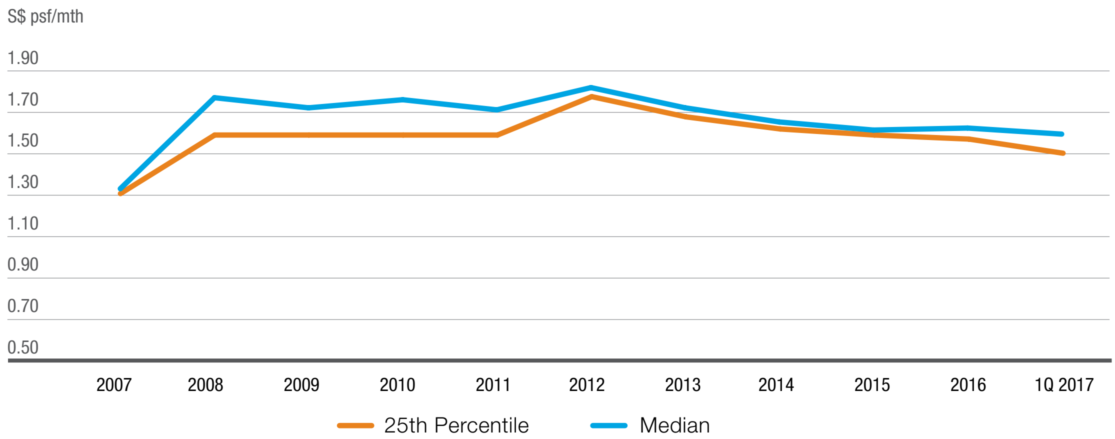
6.2 Demand and Occupancy

Occupancy of stack-up factory was approximately 86.0% in 1Q 2017. With the influx of new industrial space and coupled with relatively subdued manufacturing activities in the second half of 2016, the demand for stack-up factory space has been kept at a modest level.

6.3 Rents

The stack-up factory space median rents rose slightly by 0.6% year-on-year to $1.62 psf/mth in 2016, and corrected slightly to $1.59 psf/mth in 1Q 2017. Rents at the 25th percentile is estimated at $1.50 psf/mth in 1Q 2017. Demand for better quality stack-up factory developments mainly in city fringe locations is observed to be higher from industrialists, while large-scale stack-up industrial spaces in the suburbs saw stable occupancy from mainly large-space tenants.

Exhibit 6.2: Rents of Stack-Up Factory Space



Source: JTC, Knight Frank Research

[9] Gross potential supply is adjusted to net floor area based on Knight Frank's assumption of 85% space efficiency factor for stack-up factory development.

6.4 Outlook

Supported by an improvement in global economic outlook and an anticipated pick-up in global trade, general manufacturing activities could increase for 2017. Domestic demand for goods is tipped to rise as market sentiment improves along with stable economic growth. These potential trends are likely to benefit SMEs and larger industrialists looking to expand their industrial operations. Along with new supply this year, rents of stack-up factory space is envisaged to exhibit marginal decline or flat trends by 4Q 2017.

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FINANCIAL
REVIEW

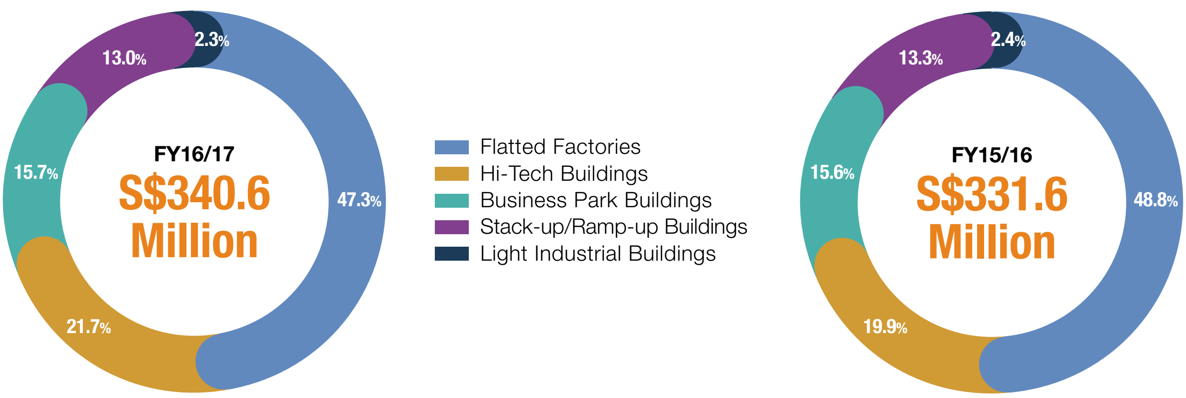
Statement of Net Income and Distribution

	FY16/17 S$'000	FY15/16 S$'000	CHANGE %
Gross revenue	340,565	331,598	2.7
Property operating expenses	(83,735)	(86,482)	(3.2)
Net property income	**256,830**	**245,116**	**4.8**
Interest income	390	282	38.3
Borrowing costs	(27,325)	(25,923)	5.4
Manager's management fees			
- Base fees	(18,453)	(17,755)	3.9
- Performance fees	(9,246)	(8,824)	4.8
Trustee's fees	(521)	(506)	3.0
Other trust expenses	(1,340)	(1,774)	(24.5)
Net income	**200,335**	**190,616**	**5.1**
Amount available for distribution	**204,960**	**197,830**	**3.6**
Distribution per Unit (Singapore cents)	**11.39**	**11.15**	**2.2**
Total operating expenses [1]	**113,295**	**115,341**	**(1.8)**
Total operating expenses to net asset value	**4.47%**	**4.68%**	**(4.5)**

GROSS REVENUE

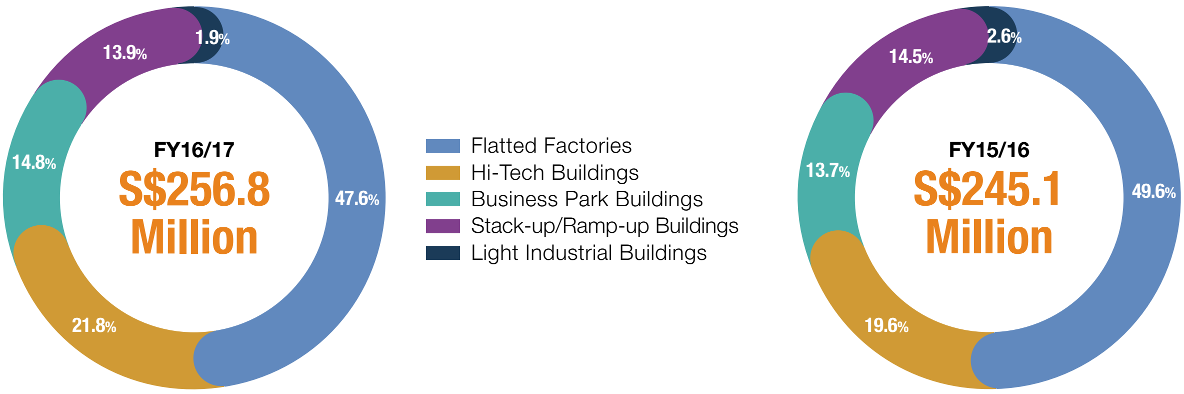
Gross revenue for FY16/17 was S$340.6 million, S$9.0 million higher than that for FY15/16. The improvements were driven by higher rental rates achieved across all property segments, higher occupancies achieved for Hi-Tech Buildings and new revenue contribution from Phase One of the BTS project for HP.

Gross Revenue (By Segment)



[1] Total operating expenses (including all fees and charges paid to the Manager and interested parties) comprise property operating expenses, Manager's management fees, trustee's fees and other trust expenses.

Net Property Income (By Segment)



NET PROPERTY INCOME

Net property income increased by S$11.7 million to S$256.8 million in FY16/17 due to higher gross revenue and lower property operating expenses. Property operating expenses for FY16/17 was S$83.7 million, 3.2% or S$2.7 million lower than FY15/16. This was due mainly to lower property maintenance expenses, utilities expenses and property taxes, partially offset by higher marketing commission.

The relative contributions from the various property segments to the gross revenue and net property income for FY16/17 changed marginally from the profile in FY15/16. Flatted Factories segment remained the largest contributor at 47.3% and 47.6% of the gross revenue and net property income respectively. The contribution from the Hi-Tech Buildings increased in FY16/17 due to the completion of Phase One of the BTS project for HP as well as the increase in occupancies and rental rates of existing Hi-Tech Buildings.

NET INCOME AND DISTRIBUTION

The amount available for distribution for FY16/17 was S$205.0 million, 3.6% or S$7.1 million higher as compared to FY15/16. As a result, the DPU of 11.39 Singapore cents for FY16/17 was 2.2% higher as compared to 11.15 Singapore cents in FY15/16. The increase was mainly attributed to the higher net property income which was partially offset by higher borrowing costs and Manager's management fees. The higher borrowing costs were due to higher hedged rates in FY16/17 as expired hedges were replaced with hedges carrying higher rates as well as the interest cost attributed to Phase One of the BTS project for HP being expensed (instead of capitalised) upon obtaining TOP on 21 October 2016. Higher manager's management fees were due to better portfolio performance and increased value of assets under management.

Net Assets Attributable to Unitholders (As at 31 March)

	2017 S$'000	2016 S$'000	Change %
Total assets	3,798,061	3,623,941	4.8
Total liabilities	1,265,272	1,158,717	9.2
Net assets attributable to Unitholders	**2,532,789**	**2,465,224**	**2.7**
Net asset value per Unit (S$)	**1.41**	**1.37**	**2.9**

Total assets increased by 4.8% from S$3,623.9 million as at 31 March 2016 to S$3,798.1 million as at 31 March 2017. The increase was primarily attributed to a portfolio revaluation gain of S$70.2 million and capitalised cost of S$120.6 million from development and improvement works. The revaluation gain was driven by the progress of development works at 1 and 1A Depot Close and 30A Kallang Place, as well as improved portfolio performance. Net assets attributable to Unitholders increased by 2.7% from S$2,465.2 million as at 31 March 2016 to S$2,532.8 million as at 31 March 2017 mainly due to the net fair value gain on properties recognised on the Group's portfolio. The net asset value per Unit has also correspondingly increased by 2.9% from S$1.37 to S$1.41.

CORPORATE LIQUIDITY AND
CAPITAL RESOURCES

Key Funding Statistics (As at 31 March)

	2017	2016
Total outstanding debt (S$ million)	**1,107.9**	1,022.4
Bank facilities (S$ million)		
Bank loans outstanding	**702.9**	717.4
Unutilised bank facilities	**686.0**	487.5
Debt securities issued and capacity (S$ million)		
Debt securities outstanding	**405.0**	305.0
Debt securities capacity	**595.0**	695.0
Ratios		
Aggregate leverage	**29.2%**	28.2%
Weighted average tenor of debt	**3.5 years**	4.0 years
Average borrowing cost for the financial year	**2.6%**	2.4%
Interest cover ratio for the financial year	**7.9 times**	8.2 times
Hedged borrowings	**74.9%**	88.0%
Weighted average hedge tenor	**4.0 years**	2.7 years

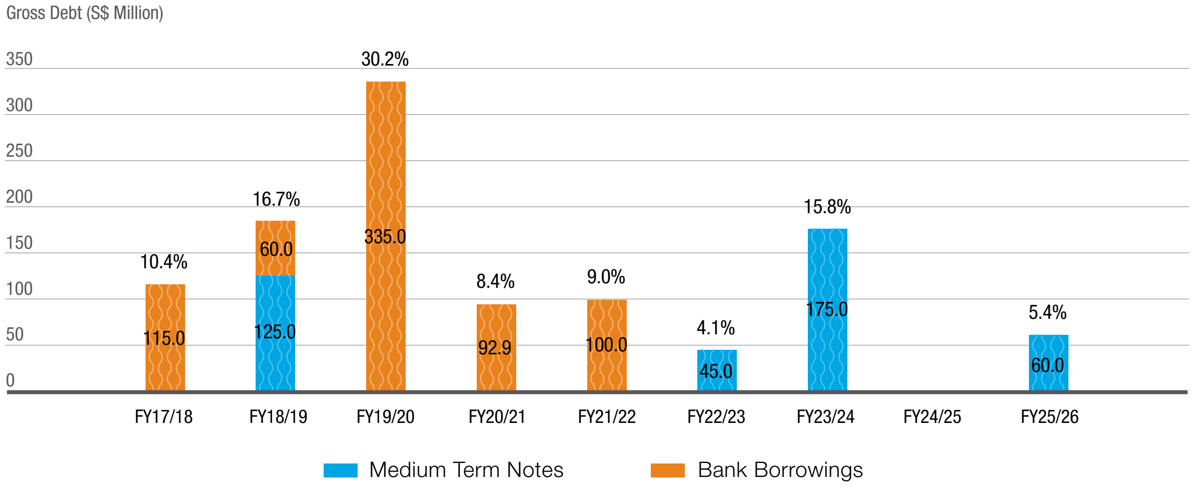
The Manager adopts a prudent approach to proactively manage the capital resources of MIT efficiently. As funding requirements in FY16/17 were fully funded by debt, total outstanding debt increased by about S$85.5 million to S$1,107.9 million as at 31 March 2017 from S$1,022.4 million one year ago. The aggregate leverage ratio as at 31 March 2017 increased to 29.2% from 28.2% as at 31 March 2016 due to the higher amount of total outstanding debt. All borrowings continue to be unsecured and bear minimal financial covenants. The Issuer Default Rating of MIT by Fitch Ratings remains 'BBB+' with a Stable Outlook.

In FY16/17, additional bank facilities were procured which contributed to an increase in available bank facilities to S$686.0 million as at 31 March 2017, compared to S$487.5 million as at 31 March 2016. Such bank facilities can be readily utilised to meet the financing requirements of development projects and debt refinancing requirements; as well as any other investment opportunities.

The Manager constantly looks to diversify its sources of financing to facilitate a smooth execution of its long-term and sustainable business strategy. Bank facilities form a major part of the funding sources of MIT; to achieve diversity, bank facilities were procured from a diversified panel of 11 relationship banks; with continual efforts made to cultivate stronger relationships with an expanding network of banks. The Manager also taps on the debt capital markets through its S$1 billion multicurrency Medium Term Note Programme. Issued debt securities form about 36.6% of total outstanding debt, increased from 29.8% as at the prior financial year end.

CORPORATE LIQUIDITY AND **CAPITAL RESOURCES**

Debt Maturity Profile



The Manager seeks to maintain a robust financial structure with a diversified and well-spread debt maturity profile, through a combination of varied debt tenors in both bank debts and capital market issuances.

In March 2017, S$100 million 7-year medium term notes bearing a coupon rate of 3.16% were issued. Proceeds from the issued notes were used to refinance debt maturing in FY17/18. As at 31 March 2017, the weighted average tenor of debt was 3.5 years.

Hedging Profile

To ensure stability of distributions to its Unitholders, MIT hedged against interest rate fluctuations through interest rate swaps and fixed rate debt. About 74.9% of debt was hedged through interest rate swaps or was drawn on fixed rate basis as at 31 March 2017. As a result of the issued medium term notes and the replacement of interest rate swaps in FY16/17, the weighted average hedge tenor lengthened to about 4.0 years as at 31 March 2017 from about 2.7 years as at 31 March 2016. Though no interest rate swaps are expiring in FY17/18, the Manager will continue to monitor the money market to lock in additional hedges against future interest rate volatility and to capitalise on windows of opportunity that may arise amid market uncertainties.

CORPORATE GOVERNANCE

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

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

The Manager's roles and responsibilities include:

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

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

(A) BOARD MATTERS

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

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

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that the Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Manager.

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

The Board comprises nine Directors, of whom eight are Non-Executive Directors and four are Independent Directors.

The following sets out the composition of the Board:

- Mr Wong Meng Meng, Non-Executive Chairman and Director
- Mr Soo Nam Chow, Chairman of the AC and Independent Non-Executive Director
- Mr John Koh Tiong Lu, Lead Independent Non-Executive Director and Member of the AC
- Mr Seah Choo Meng, Non-Executive Director and Member of the AC
- Mr Wee Joo Yeow, Chairman of the NRC and Independent Non-Executive Director
- Ms Mary Yeo Chor Gek, Independent Non-Executive Director and Member of the NRC
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC
- Mr Wong Mun Hoong, Non-Executive Director
- Mr Tham Kuo Wei, Executive Director and CEO

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her calibre, experience, stature, and potential to give proper guidance to Management for the business of the Group. In addition, the Board considers additional factors such as the age, gender and educational background of its members. The profiles of the Directors are set out in pages 20 to 23 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient in informing Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group.

The meeting attendance of the Board, the AC and the NRC for FY16/17 is as follows:

		Board	AC	NRC
Number of meetings held in FY16/17		5	5	3
Board Members	**Membership**			
Mr Wong Meng Meng (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Non-Executive Chairman and Director	5	N.A. [1]	N.A. [1]
Mr Soo Nam Chow (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Chairman of the AC and Independent Non-Executive Director	5	5	N.A. [1]
Mr John Koh Tiong Lu (Appointed on 7 September 2010) (Last reappointment on 26 September 2014)	Lead Independent Non-Executive Director and Member of the AC	5	5	N.A. [1]
Mr Seah Choo Meng (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Non-Executive Director and Member of the AC	5	5	N.A. [1]
Mr Wee Joo Yeow (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Chairman of the NRC and Independent Non-Executive Director	4	N.A. [1]	3
Ms Mary Yeo Chor Gek (Appointed on 15 March 2013) (Last reappointment on 30 September 2016)	Independent Non-Executive Director and Member of the NRC	5	N.A. [1]	3
Mr Hiew Yoon Khong (Appointed on 7 September 2010) (Last reappointment on 30 September 2016)	Non-Executive Director and Member of the NRC	5	N.A. [1]	2
Mr Wong Mun Hoong (Appointed on 7 September 2010) (Last reappointment on 29 September 2015)	Non-Executive Director	5	5 [2]	N.A. [1]
Mr Tham Kuo Wei (Appointed on 23 July 2010) (Last reappointment on 30 September 2016)	Executive Director and CEO	5	5 [2]	N.A. [1]

Notes:
(1) N.A. means not applicable.
(2) Attendance was by invitation.

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

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

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

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

Board Composition and Guidance

Principle 2: Strong and independent element on the Board

Our Policy and Practices

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

The Manager adopts the principle that at least one-third of its Directors shall be independent if the Chairman is an independent director and at least half of its Directors shall be independent if the Chairman is not an independent director, and the majority of its Directors shall be non-executive. The Manager believes a board composition with a strong and independent element will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

For FY16/17, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

The Board was informed of Mr Seah Choo Meng's appointment as Senior Advisor to the CEO of Surbana-Jurong (a wholly-owned subsidiary of Temasek Holdings). As such, after the assessment by the Board, Mr Seah was re-designated as a non-independent non-executive Director of the Manager effective from 1 January 2017. The Board is cognisant of the guidelines of the Code regarding the composition of the Board if the Chairman is not an independent director and is in the midst of appointing a new independent director.

Based on a review of the relationships between the Directors and the Group and declarations of independence by the Independent Directors, the Board considers the following Directors to be independent:

- Mr Soo Nam Chow;
- Mr John Koh Tiong Lu;
- Mr Wee Joo Yeow; and
- Ms Mary Yeo Chor Gek

Chairman and Chief Executive Officer

Principle 3: Clear division of responsibilities

Our Policy and Practices

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

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

As the Chairman is not an independent director, in accordance with Guideline 3.3 of the Code, Mr John Koh Tiong Lu has been appointed as the Lead Independent Director of the Manager with effect from 26 January 2016. The principal responsibilities of the Lead Independent Director are to act as chairman of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concern when other channels of communication through the Chairman or CEO are inappropriate.

Board Membership

Principle 4: Formal and transparent process for appointments

Our Policy and Practices

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

The Board established the NRC in January 2016 and it comprises three Directors, being Mr Wee Joo Yeow, Ms Mary Yeo Chor Gek and Mr Hiew Yoon Khong, all non-executive and the majority of whom (including the Chairman) are independent. Mr Wee Joo Yeow is the Chairman of the NRC.

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

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

The composition of the Board is determined using the following principles:

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

The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY16/17 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to carry out their duties as Director notwithstanding their principal commitments.

The NRC reviews and makes recommendations of nominations and/or re-nominations of directors on the Board and Board committees to the Board for approvals. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals. The CEO, as a Board member, is also subject to retirement and re-election.

Board Performance
Principle 5: Formal assessment of the effectiveness of the Board

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

To assess the performance of the Board and the Board committees, the Manager conducts confidential board effectiveness surveys once every two years. Board effectiveness surveys are carried out once every two years so as to provide more time for Directors to observe, review and assess the effectiveness and performance of the Board and the Board committees. The last survey of the Board, the AC and the NRC was undertaken in October 2016, with the findings evaluated by the Board in March 2017. To this end, the NRC will assist the Board in (amongst other things) the assessment of the effectiveness of the Board, by reviewing the performance evaluation process and making recommendations to the Board. Based on those findings and recommendation from the NRC, the Board was of the view that it had met its performance objectives.

Access to Information
Principle 6: Complete, adequate and timely access to information

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

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

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

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

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7: Formal and transparent procedure for fixing the remuneration of Directors

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

Disclosure on Remuneration
Principle 9: Clear disclosure of remuneration matters

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

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

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

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

The current members are: Mr Wee Joo Yeow, Independent Non-Executive Director and Chairman of NRC, Ms Mary Yeo Chor Gek, Independent Non-Executive Director and Mr Hiew Yoon Khong, Non-Executive Director. The NRC met three times during FY16/17 and was guided by its own independent remuneration consultant, Mercer (Singapore) Pte Ltd, who has no relationship with the Board that would interfere with its ability to provide independent advice to the NRC.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating and remuneration committee, which include, but are not limited to, assisting the Board in matters relating to:

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

Decision-making Process for Determining the Remuneration Policy

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

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

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

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

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

Directors' fees are paid entirely in cash.

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

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

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

The remuneration of the Board and the employees of the Manager are paid by the Manager from the fees which it receives from MIT and not paid by MIT. The Manager has set out in the table below information on the fees paid to the Directors for FY16/17.

Board Members	Membership	Fees Paid for FY16/17
Mr Wong Meng Meng	Non-Executive Chairman and Director	S$115,000.00
Mr Soo Nam Chow	Chairman of the AC and Independent Non-Executive Director	S$95,000.00
Mr John Koh Tiong Lu	Lead Independent Non-Executive Director and Member of the AC	S$94,327.95
Mr Seah Choo Meng	Non-Executive Director and Member of the AC	S$82,500.00
Mr Wee Joo Yeow	Chairman of the NRC and Independent Non-Executive Director	S$90,483.85
Ms Mary Yeo Chor Gek	Independent Non-Executive Director and Member of the NRC	S$75,698.90
Mr Hiew Yoon Khong	Non-Executive Director and Member of the NRC	Nil (1)
Mr Wong Mun Hoong	Non-Executive Director	Nil (1)
Mr Tham Kuo Wei	Executive Director and Chief Executive Officer	Nil (2)

Notes:

(1) Non-Executive Directors who are employees of the Sponsor do not receive any fees in their capacity as Directors and NRC member.

(2) The CEO does not receive any director's fees in his capacity as a Director.

Link between Pay and Performance

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

Variable incentive is a material component of total remuneration and comprises of Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving the organisational effectiveness and operating efficiency of the Manager, e.g. results of Control Self-Assessment, participation in corporate social responsibility ("CSR") events and tenants engagement. The VB amount is assessed based on the achievement of financial KPIs such as Net Property Income, DPU and WALE which measure the financial metrics essential to the Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MIT's Total Shareholder Return ("TSR") targets and value of a notional investment in MIT.

To this end, the NRC has reviewed the performance of the Manager for FY16/17 and is satisfied that all KPIs have largely been achieved.

For senior management, a significant proportion of their variable incentive is deferred under the Manager's VB banking mechanism and vesting schedule of LTI award. Deferral of these two components is a key mechanism to building sustainable business performance. Under the VB banking mechanism, only a portion of a VB award declared in the financial year will be paid out while the rest of the VB award will be deferred and paid out in the subsequent years. The deferred VB award will be subjected to downside risks depending on future performance. This ensures alignment between remuneration and sustaining business performance in the longer-term. For the LTI award, it is subject to 3 to 5 years vesting schedule. The settlement value of the LTI award is linked to the value of MIT units at the time of vesting.

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

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

The Manager is cognisant of the requirement in the "*Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management*" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; and (b) the remuneration of at least its top five key management personnel (other than the CEO and executive officers who are Directors), on a named basis, in bands of S$250,000. The Manager is also cognisant of the requirement of the Code to disclose in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO).

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

Total Remuneration Bands of CEO and Key Management Personnel for FY16/17

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$1,500,000 to S$1,750,000					
Tham Kuo Wei	24%	60%	16%	N.M.[3]	100%
Other Key Management Personnel					
Ler Lily	36%	49%	15%	N.M.[3]	100%
Peter Tan Che Heng	39%	46%	15%	N.M.[3]	100%
Serene Tam Mei Fong	47%	44%	9%	N.M.[3]	100%

Notes:

1 The amounts disclosed include bonuses declared for FY16/17.

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

3 Not meaningful.

The total remuneration for the CEO and the key management personnel in FY16/17 was S$3.22 million.

The Board had assessed and decided to disclose the remuneration of (a) the CEO in bands of S$250,000 and (b) the breakdown of the remuneration of the key management personnel of the Manager in percentage terms. The Manager is of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manger, have been provided. Further, there are sufficient information provided on the Manager's remuneration framework to enable the Unitholders to understand the link between the performance of MIT and the remuneration paid to the CEO and key management personnel of the Manager.

There were no employees of the Manager who were immediate family members of a Director or the CEO of the Manager and whose remuneration exceeded S$50,000 during FY16/17.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Balanced and understandable assessment of the company's performance, position and prospects

Our Policy and Practices

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

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

Risk Management and Internal Controls

Principle 11: Sound system of risk management and internal controls

Our Policy and Practices

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

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

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

Operating Structure

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

Policies, Procedures and Practices

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

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

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

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

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

Whistle-blowing Policy

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

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

Risk Management

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

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

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

The Manager's policies and procedures relating to risk management can be found on pages 83 to 85 of this Annual Report.

Information Technology Controls

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

Financial Reporting

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

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

The Group's financial results are prepared in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" and are reported to Unitholders quarterly in accordance with the requirements of the SGX-ST. These results announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full year financial performance of the Group can be found on pages 106 to 159 of this Annual Report.

Financial Management

Management reviews the performance of the MIT portfolio properties on a monthly basis to maintain the financial and operational discipline of the Group.

The key financial risks which the Group is exposed to include interest rate risk, liquidity risk, and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found on pages 67 to 68 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Internal Audit

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

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

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

Interested Person Transactions

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

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC and the Board. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC and the Board (which may, as they deem fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers). Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY16/17 are set out on page 162 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

Dealing in MIT units

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

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

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

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

Role of the Board and AC

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

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

The Board and the AC also take into account the results from the Control Self-Assessment programme, which requires the respective departments of the Manager to review and report on compliance with their key control processes.

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

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

Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager and the Sponsor, work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditors, reviews performed by Management and the above assurance from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business environment as at 31 March 2017.

Audit and Risk Committee

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

Our Policy and Practices

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

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

The AC consists of three members. They are:

- Mr Soo Nam Chow, Chairman;
- Mr John Koh Tiong Lu, Member; and
- Mr Seah Choo Meng, Member

The AC has written terms of reference setting out its scope and authority, which include:

- examination of interested person transactions;
- review of audit findings of internal and external auditors as well as management responses to them;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY16/17, MIT paid S$128,215 to the external auditor PricewaterhouseCoopers LLP ("PwC") for audit services for the Group. During the financial year, there were no non-audit services performed for the Group;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- recommendation of the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

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

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditor and reviewed by the AC. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with the Management and the external auditor and reviewed by the AC:

Key Audit Matter	How This Issue was Addressed by the AC
Valuation of investment properties	The AC considered the approach and techniques applied by MIT's valuer, Savills Valuation & Professional Service (S) Pte Ltd, in determining the valuation of the investment properties. The AC discussed the details of the valuation with the valuer and management and also considered the results of the work performed by the external auditor. The AC was satisfied with the valuation approach, the techniques used and the valuation for investment properties as adopted and disclosed in the financial statements. The valuation of investment properties was also an area of focus for the external auditor. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 110 of this Annual Report.

A total of five AC meetings were held in FY16/17.

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

Internal Audit

Principle 13: Independent internal audit function

Our Policy and Practices

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

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

The role of the Internal Audit Department is to conduct internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the AC. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.

The Sponsor's Internal Audit Department is a corporate member of the Singapore branch of the Institute of Internal Auditors Inc. (the "IIA"), which has its headquarters in the USA. The Internal Audit Department subscribes to, and is in conformance with, the Standards for the Professional Practice of Internal Auditing developed by the IIA (the "IIA Standards") and has incorporated these standards into its audit practices.

The IIA Standards cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement; and
- communicating results.

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the Information System Audit and Control Association (the "ISACA") in the USA. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to be applied in IT audits.

To ensure that the internal audits are performed by competent professionals, the Sponsor's Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the Sponsor's Internal Audit Department identifies and provides training and development opportunities to the employees.

In compliance with the IIA Standards, an external quality assessment review ("QAR") of the Sponsor's Internal Audit Department is conducted at least once every five years by a qualified, independent reviewer. The last external QAR of internal audit was completed in January 2013 and the QAR concluded that the Sponsor's Internal Audit Department was in conformance with the IIA Standards.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Unitholder Rights
Principle 14: Fair and equitable treatment of all Unitholders

Communication with Unitholders
Principle 15: Regular, effective and fair communication with Unitholders

Conduct of Unitholder Meetings
Principle 16: Greater Unitholder participation at annual general meetings

Our Policy and Practices
The Manager adopts the principle that all Unitholders should be treated fairly and equitably and their ownership rights arising from their unitholdings should be recognised.

To this end, the Manager issues via SGXNET announcements and press releases on the Group's latest corporate developments on an immediate basis where required by the Listing Manual. Where immediate disclosure is not practicable, the relevant announcement will be made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

All Unitholders are entitled to receive the annual report in digital format packaged in a compact disc with the option of receiving a printed version. The annual report encloses a notice of annual general meeting and a proxy form with instructions on the appointment of proxies. The notice of annual general meeting for each annual general meeting is also published via SGXNET. An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditors are also present to address Unitholders' queries about the audit and the financial statements of the Group.

Similarly, where a general meeting is convened, all Unitholders are entitled to receive a circular enclosing a proxy form with instructions on the appointment of proxies. Prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate them in exercising their votes.

Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme.

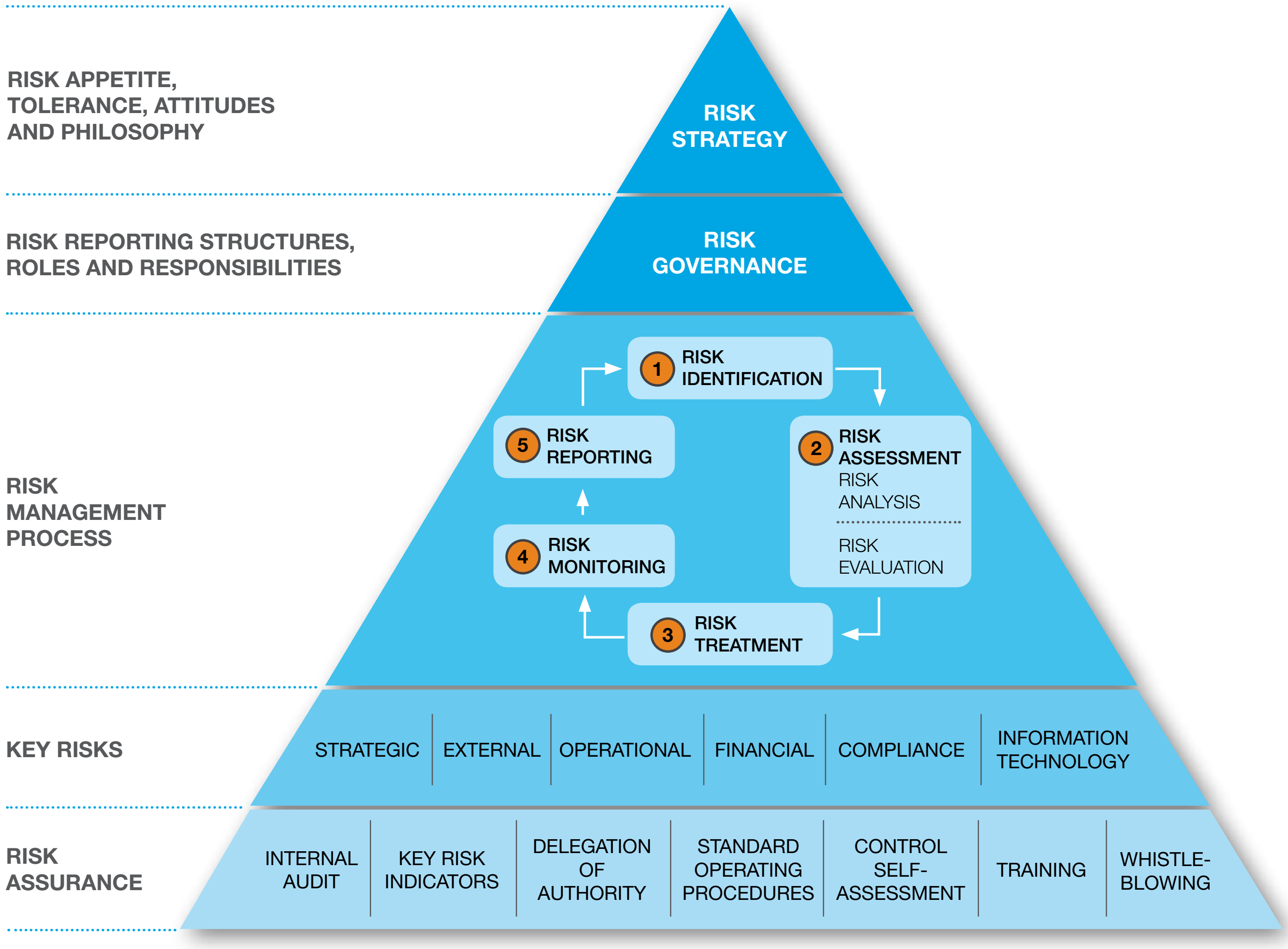
The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MIT's website.

Investors can subscribe to email alerts of all announcements and press releases issued by MIT through its website. "Live" webcast of analyst briefings are conducted, where practicable.

The Manager also communicates with MIT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors.

MIT's distribution policy is to distribute at least 90% of its distributable income and such distributions are typically paid on a quarterly basis. For FY16/17, MIT made four distributions to Unitholders.

RISK MANAGEMENT



Risk management continues to be an integral part of the Manager's business strategy of delivering sustainable and growing returns. To safeguard capital while creating value for Unitholders, the Manager proactively manages risks and embeds the risk management process as part of the planning and decision making process.

STRONG OVERSIGHT AND GOVERNANCE

The Board is responsible for determining the overall risk strategy and risk governance, and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks involved to achieve the Manager's business objectives. The Board is supported by the AC, which comprises independent directors whose collective experience and knowledge serve to guide and challenge Management. The AC has direct access to the Sponsor's Risk Management Department, which it engages quarterly as part of its review of MIT's portfolio risks.

At the Manager, the risk management culture involves top-down oversight and bottom-up engagement from all employees. Risk and compliance criteria are established by the Board and Management and are embedded within key decision making processes. Risk management practices are included in the roles and responsibilities of employees and system processes. This ensures a risk approach that is aligned with its business objectives and strategies, and is integrated with operational processes for effectiveness and accountability.

RISK MANAGEMENT

The Manager's ERM framework is dynamic and evolves with the business. It provides the Group with a holistic and systematic process for the identification, assessment, monitoring and reporting of risks. The Sponsor's Risk Management Department works closely with the Manager to review and enhance the risk management system in accordance with market practices and regulatory requirements. A Control Self-Assessment framework further reinforces risk awareness by fostering accountability, control and risk ownership and provides additional assurance to the Board and Management that operational risks are being effectively and adequately managed and controlled.

ROBUST MEASUREMENT AND ANALYSIS

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

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

RISK IDENTIFICATION AND ASSESSMENT

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

Strategic Risks

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

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the area of asset evaluation and pricing. All acquisitions have to be yield accretive and meet MIT's stringent investment criteria. Sensitivity analysis is also performed for each acquisition on all key project variables to test the robustness of the assumptions used. For material acquisitions, independent risk assessments are conducted by the Sponsor's Risk Management Department and included in the investment proposal submitted to the Manager's Board for approval. All investment proposals are subject to rigorous scrutiny by the Board (or delegated to the Management Committee).

On receiving the Board's or Management Committee's approval, the investment proposals are then submitted to the Trustee, who is the final approving authority for all investment decisions.

The Trustee also monitors the compliance of the Manager's executed investment transactions with the restrictions and requirements of the Listing Manual of the SGX-ST, MAS's Property Funds Appendix and the provisions in the Trust Deed.

New development projects usually take a few years to complete, depending on the project size and complexity. To mitigate the risk of development delays, cost overruns and lower than expected quality, the Manager has put in place stringent pre-qualifications of consultants and contractors, and continually reviews the project's progress.

External Risks

To manage the impact of economic uncertainties in Singapore, the Manager conducts rigorous real estate market research and monitors economic development closely.

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable the Manager to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Manager regularly reviews its standard operating procedures and benchmarks them against industry practices where appropriate. Compliance with standard operating procedures is assessed under the Control Self-Assessment framework and reinforced through training of employees and regular reviews by the Sponsor's Internal Audit Department.

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

The Manager has in place a business continuity plan and crisis communication plan that should enable it to resume operations with minimal disruption and loss in the event of unforeseen catastrophic events such as terrorism and natural disasters. MIT's properties are insured in accordance with industry norms in Singapore.

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

Financial Risks

Financial market risks and capital structure are closely monitored and actively managed by the Manager. The Board is kept abreast through quarterly reports. At the portfolio level, the risk impact of interest rate volatility on value is quantified, monitored and reported quarterly using the VaR methodology. Refinancing risk is also quantified, taking into account the concentration of the loan maturity profile and credit spread volatility.

MIT hedges its portfolio exposure to interest rate volatility arising from its borrowings by way of interest rate swaps and fixed rate borrowings.

The Manager also actively monitors MIT's cash flow position and requirements to ensure sufficient liquid reserves to fund operations and meet short-term obligations (see Corporate Liquidity and Capital Resources section on pages 67 to 68). In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base. The limit on MIT's aggregate leverage ratio is observed and monitored to ensure compliance with MAS's Property Funds Appendix.

Compliance Risks

MIT is committed to comply with applicable laws and regulations in Singapore. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and embeds compliance to these laws and regulations in day-to-day business processes.

Information Technology Risks

The threat of cyber security attack continues to be a concern as such attacks become increasingly sophisticated. The Manager has in place comprehensive policies and procedures governing information availability, control and governance, and data security. An information technology disaster recovery plan is in place and tested annually to ensure business recovery objectives are met. In addition, network penetration testing is conducted regularly to check for potential security gaps.

RIGOROUS MONITORING AND CONTROL

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

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

INVESTOR **RELATIONS**

The Manager proactively maintains timely and effective communications with its stakeholders, with the aim of building and strengthening long-term relationships.

ACTIVE ENGAGEMENT WITH STAKEHOLDERS

The Manager engages the investment community through meetings, teleconferences, investor conferences and roadshows. In FY16/17, the Manager met over 140 institutional investors and participated in investor conferences and roadshows in Singapore, Hong Kong, Kuala Lumpur and London. The Manager also participated in initiatives to engage new investors through SGX-CLSA-REITAS S-REITs Conference[1] in Seoul and Mapletree REITs Day in Bangkok. The Manager also organised property tours for investors who are interested to know the MIT portfolio better.

The Manager continues to engage retail investors through the REITs Symposium. The one-day event featured booth displays of participating REITs and a series of educational talks, which had a positive turnout of over 1,100 attendees. Such engagements allow Management to apprise the investment community of MIT's developments and strategies as well as address investor feedback.

The Annual General Meeting serves as an important communication channel between the Board, Management and Unitholders. MIT convened its sixth Annual General Meeting on 19 July 2016, which was well-attended by 266 Unitholders and their proxies.

Engagement with Unitholders at MIT's sixth Annual General Meeting.

Analyst teleconferences and briefings on MIT's financial results are held quarterly. The "live" audio webcasts of MIT's half-year and full-year financial results allow Management to address online queries from the investment community. The recordings are available for download on MIT's website.

In addition to analyst teleconferences and briefings, the Mapletree Year-End Analyst Event, which was jointly organised by all Mapletree REITs, was an opportunity for Management to interact with analysts in an informal setting.

TIMELY AND TRANSPARENT DISCLOSURES

All announcements and press releases are promptly issued through SGXNET and MIT's websites. Pertinent information including annual reports, investor presentations and portfolio details is updated regularly on MIT's website. Stakeholders can contact the Investor Relations Department via a dedicated email address, and receive updates on MIT through the email alert service. A dedicated email address is available for Substantial Unitholders to promptly report any change in their unitholdings in MIT.

RESEARCH COVERAGE

17 equity research houses provide research coverage on MIT as at 31 March 2017.

1.	Bank of America Merrill Lynch
2.	CIMB Research
3.	Citigroup Research
4.	CLSA
5.	Credit Suisse
6.	Daiwa Capital Markets
7.	DBS Bank
8.	Deutsche Bank
9.	Goldman Sachs Global Investment Research
10.	J.P. Morgan Securities
11.	Macquarie Capital Securities
12.	Maybank Kim Eng Research
13.	OCBC Investment Research
14.	Phillip Securities Research
15.	Religare Capital Markets
16.	UBS Securities
17.	UOB Kay Hian Research

[1] SGX-CLSA-REITAS S-REITs Conference in Seoul was jointly organised by Singapore Exchange ("SGX"), CLSA and REIT Association of Singapore ("REITAS").

INVESTOR RELATIONS CALENDAR

2016	
26 Apr	4Q and FY15/16 Analyst Briefing and "Live" Audio Webcast
26 Apr	Post 4Q and FY15/16 Results Investor Luncheon Hosted by J.P. Morgan Securities, Singapore
23 to 24 May	dbAccess Asia Conference, Singapore
4 Jun	REITs Symposium, Singapore
19 Jul	Annual General Meeting 2015/2016, Singapore
27 Jul	1QFY16/17 Analyst Teleconference
27 Jul	Post 1QFY16/17 Results Investor Luncheon Hosted by Credit Suisse, Singapore
29 to 30 Sep	Investor Roadshow Organised by J.P. Morgan Securities, Hong Kong
25 Oct	2Q and 1HFY16/17 Analyst Briefing and "Live" Audio Webcast
25 Oct	Post 2Q and 1HFY16/17 Results Investor Luncheon Hosted by CLSA, Singapore
26 Oct	Investor Roadshow Organised by CIMB Research, Kuala Lumpur
11 Nov	Mapletree Year-End Analyst Event, Singapore
16 Nov	Morgan Stanley 15th Annual Asia Pacific Summit, Singapore
2017	
25 Jan	3QFY16/17 Analyst Teleconference
9 to 10 Mar	Investor Roadshow Organised by Deutsche Bank, London
13 Mar	SGX-CLSA-REITAS S-REITs Conference, Seoul
21 Mar	Mapletree REITs Day Organised by DBS Bank, Bangkok
25 Apr	4Q and FY16/17 Analyst Briefing and "Live" Audio Webcast
25 Apr	Post 4Q and FY16/17 Results Investor Luncheon Hosted by Macquarie Captial Securities, Singapore

FINANCIAL CALENDAR

	FY16/17	FY17/18*
Announcement of First Quarter Financial Results	26 Jul 2016	Jul 2017
Payment of First Quarter Distribution to Unitholders	29 Aug 2016	Aug 2017
Announcement of Second Quarter Financial Results	25 Oct 2016	Oct 2017
Payment of Second Quarter Distribution to Unitholders	28 Nov 2016	Nov 2017
Announcement of Third Quarter Financial Results	24 Jan 2017	Jan 2018
Payment of Third Quarter Distribution to Unitholders	28 Feb 2017	Feb 2018
Announcement of Full Year Financial Results	24 Apr 2017	Apr 2018
Payment of Final Distribution to Unitholders	30 May 2017	May 2018

* Subject to changes

INVESTOR **RELATIONS**

The Annual General Meeting serves as an important communication channel between the Board, Management and Unitholders.

To subscribe to the latest news on MIT, please visit www.mapletreeindustrialtrust.com.

For enquiries, please contact:

INVESTOR RELATIONS

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T : (65) 6536 5355
F : (65) 6438 8710

UNITHOLDER DEPOSITORY

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
T : (65) 6535 7511
W : www.sgx.com/cdp
E : asksgx@sgx.com

SUSTAINABILITY **REPORT**

The Manager is pleased to present MIT's inaugural sustainability report for the period 1 April 2016 to 31 March 2017, which was guided by the Sponsor's sustainability strategies and led by the Sustainability Steering Committee ("SSC") comprising members from the Sponsor's senior management team and CEOs of the managers of four Mapletree Group-sponsored REITs.

As environmental, social and governance ("ESG") aspects of MIT's business are becoming increasingly important to its stakeholders, the Manager recognises the importance of identifying and managing material ESG factors relevant to its operations. The Manager is committed to improving the long-term economic resilience of MIT's business while protecting the environment and upholding the social well-being of its stakeholders.

ABOUT THIS REPORT

This report contains ESG data and practices relating to MIT's properties located in Singapore which the Manager has operational control[1]. The Manager will publish the sustainability report annually.

This report addresses some of the requirements prescribed by the SGX-ST Listing Rules – Sustainability Reporting Guide, and makes reference to the Global Reporting Initiative ("GRI") Standards (2016). The GRI Standards is one of the global best practice guides for reporting on a range of economic, environmental, social, and governance factors.

In preparing and defining the contents of this report, the Manager has applied the GRI Reporting Principles to achieve the following:

- Communicate MIT's performance in relation to its impact on the environment and societies within which it operates. This report details MIT's efforts and progress towards achieving its sustainability aspirational goals in the context of its operations;
- Promote accountability and strengthen relationships between MIT and its stakeholders. Please refer to pages 90 to 91 for how MIT engages and communicates with its stakeholders;
- Reflect material factors that are relevant to MIT's business and their significance to its stakeholders. Please refer to pages 90 to 91 for MIT's materiality assessment process and its relevance to stakeholders;
- Present a balanced assessment of material factors and their boundaries, so as to sufficiently reflect significant economic, environmental, social and governance impacts to enable its stakeholders to assess MIT's sustainability performance for the reporting period; and
- Present information that is sufficiently accurate, coherent and consistent – in a timely manner, to enable its stakeholders to assess MIT's sustainability performance over time and support analysis relative to its peers.

The Manager seeks to further integrate sustainable practices into MIT's business and share its progress in the coming years. Please send your comments and suggestions on MIT's sustainability report to ir_industrial@mapletree.com.sg.

SUSTAINABILITY GOVERNANCE

The Manager's sustainability management comes under the purview of the SSC, which is co-led by the Sponsor's Deputy Group CEO and the Head of Group Corporate Services and Group General Counsel. The SSC includes the CEOs of the managers of the four Mapletree Group-sponsored REITs and other members of the Sponsor's senior management team. Mr Tham Kuo Wei, Executive Director and CEO, represented the Manager in the committee for FY16/17. The SSC develops sustainability management strategies and manages overall sustainability performance.

The SSC is supported by the Sustainability Working Committee ("SWC"), which comprises senior management representatives across business units and functions. The SWC implements, executes and monitors policies and procedures within the sustainability framework across the organisation.

The Board is updated on the key material factors identified by MIT's stakeholders and the sustainability management strategies of the Manager.

[1] Excludes eight properties and three properties under development. The Manager is responsible for the environmental performance of the on-site premises and common areas of MIT's 75 properties.

MATERIALITY ASSESSMENT

A formal Group-wide materiality assessment exercise was conducted in FY16/17, which took reference from the GRI Standards (2016) Materiality Principle. The assessment comprised a three-step process to identify, prioritise and validate material factors. Key representatives from the Manager and the Property Manager evaluated and ranked a list of material factors according to MIT's stakeholder concerns and their significance to the business through an online survey. Senior management of the Manager and the Property Manager participated in a workshop facilitated by an independent consultant to rank these factors. Factors such as industry best practices, global and local emerging trends, and business risks were considered in defining the material factors. The list of nine material factors were validated with the SSC and presented to the Board.

Material Factors

STAKEHOLDER ENGAGEMENT

The Manager and the Property Manager regularly engage MIT's stakeholders through various channels to understand the key issues that impact each group. The universe of internal and external stakeholder groups was assessed by the Manager and the Property Manager based on their importance to MIT. Consequently, six stakeholder groups were identified to have significant impact on MIT's long-term business strategy.

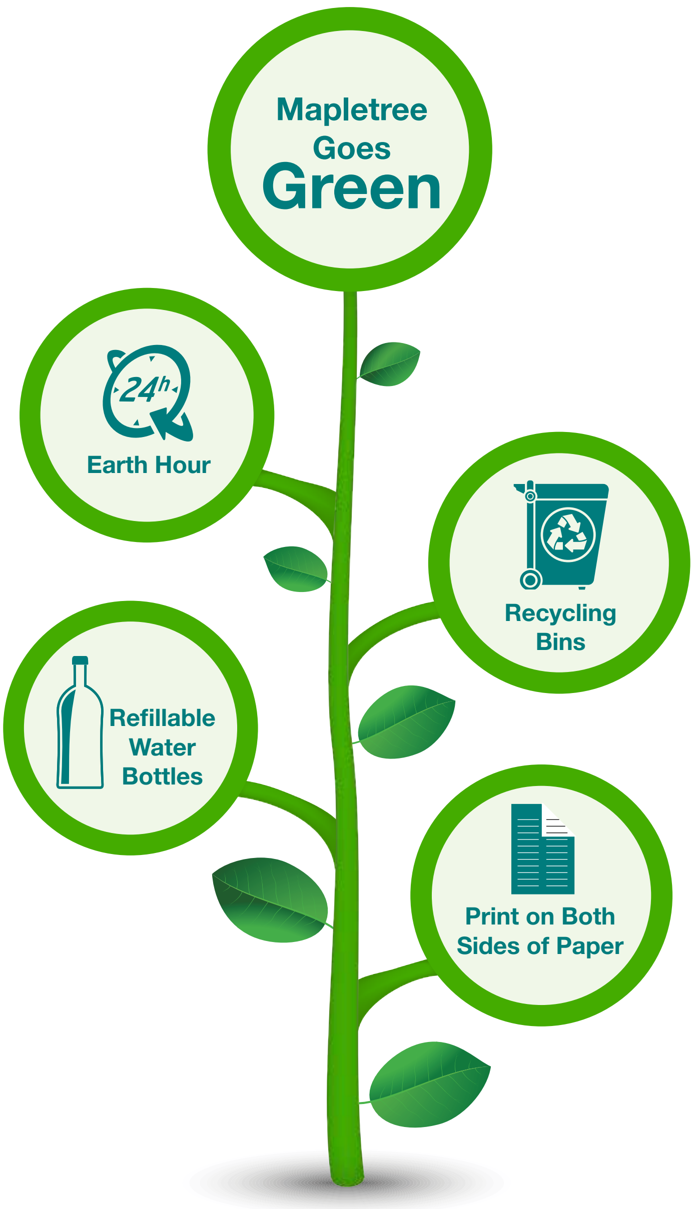
Frequent engagements with each stakeholder group allow issues to be identified and effective responses to be developed with the objective of building sustainable and lasting relationships. The following table summarises the approach towards stakeholder engagement. Insights gained from these stakeholder interactions are considered in developing effective responses to address the key topics.

Stakeholder Engagement

Key Stakeholder	Forms of Engagement	Key Topics and Concerns	Relevant Material Factors
Tenants	• Marketing and Property Management hotlines • Tenant Handbook and circulars • On-site property managers for multi-tenanted buildings • Meetings with key existing and new tenants • Tenant engagement initiatives	• Well-managed industrial facilities • Safe working environment • Prompt response to feedback • Environmentally sustainable buildings • Responsible marketing communications	• Health and safety • Local communities • Energy • Water • Marketing communications
Investors (including analysts and media)	• Announcements via SGXNET • Email alerts to subscribers on MIT's announcements and updates • Investor meetings, events and teleconferences • Bi-annual analyst results briefings with "live" audio webcasts • Annual general meetings • MIT website	• Stable and sustainable distributions • Information on business strategy and outlook • Timely and transparent reporting • Good corporate governance	• Economic performance • Marketing communications • Anti-corruption • Compliance with laws and regulations
Employees	• Bi-annual communication sessions by senior management • Mapletree Group Employee Engagement Survey • Training programmes and education sponsorships • Recreation Club activities and staff volunteering activities • Employee Handbook	• Equitable reward and recognition • Good communication of business strategies and corporate objectives • Training and development • Safe and healthy working environment	• Economic performance • Talent retention • Health and safety
Regulators and trustee	• Meetings, briefings and regular reporting • Respond to public consultations	• Compliance with rules and regulations • Good corporate governance	• Anti-corruption • Compliance with laws and regulations
Third-party service providers	• Regular meetings with key service providers • Communicate standard operating procedures	• Safe working environment • Fair and reasonable business practices	• Health and safety
Community	• Collaborate with non-profit organisations • Support tenants' CSR initiatives where possible • Provide feedback channels for ongoing development projects	• Corporate philanthropy and engagement • Stronger landlord-tenant relationships • Manage impact of development projects on surrounding neighbourhoods	• Local communities

ECONOMIC

The long-term economic viability of MIT's business is a material factor to its stakeholders. MIT's financial and operational performances for FY16/17 are discussed in detail in the Operations Review (pages 30 to 37), Financial Review (pages 64 to 66) and Financial Statements (pages 106 to 159) of this Annual Report.



ENVIRONMENT

The Manager and the Property Manager are committed to reducing the environmental footprint of MIT's operations through various eco-efficient initiatives. This is in line with the global trend towards environmentally sustainable buildings and Singapore's increased commitment to environmental sustainability through various regulations and schemes introduced by Building and Construction Authority of Singapore ("BCA"). Improving the environmental performance of MIT's properties not only demonstrates a commitment to reducing the impact on the environment, it also offers other benefits such as savings in operating costs and better work environment for tenants and staff.

The Manager and the Property Manager continue to participate in the Sponsor's "Mapletree Goes Green" initiative, which encourages employees to adopt green measures in their work practices. For instance, employees are encouraged to use refillable water bottles and print on both sides of paper. Other measures include the installation of recycling bins for paper and plastic to promote a more environmentally conscious culture. The Manager also marked the global "Earth Hour" by switching off the façade lightings at its office to promote awareness of energy conservation.

The Manager and the Property Manager strive to achieve BCA Green Mark certifications for MIT's new developments. Phase One of the BTS development for HP, which was completed in FY16/17, incorporated environmental considerations at all stages of the project from feasibility, design, construction to operations. It has been accredited the BCA Green Mark Platinum Award, the highest accolade for environmentally sustainable buildings.

During FY16/17, three clusters were awarded the BCA Green Mark Awards for Existing Non-Residential Buildings while 26A Ayer Rajah Crescent and Tata Communications Exchange achieved the LEED Gold® by U.S. Green Building Council®.

Group Property Management monthly engineering forums are conducted to discuss ongoing applications or renewals of green building certifications for MIT's properties. Green Building Guides, which outline the action plans in terms of waste recycling, energy and water conservation, are disseminated to all tenants of Green Mark buildings to promote environmental conservation. These efforts are in support of BCA's 3rd Green Building Masterplan to accelerate the proliferation of green buildings.

Environmental Awards in FY16/17

Property	Property Segment	Award
26A Ayer Rajah Crescent (Data centre)	Hi-Tech Building	LEED Gold®
978 & 988 Toa Payoh North	Hi-Tech Building	BCA Green Mark Gold
K&S Corporate Headquarters	Hi-Tech Building	BCA Green Mark Gold
Tata Communications Exchange (Data centre)	Hi-Tech Building	LEED Gold®
The Signature	Business Park Building	BCA Green Mark Gold

26A Ayer Rajah Crescent achieved the LEED Gold®.

Energy

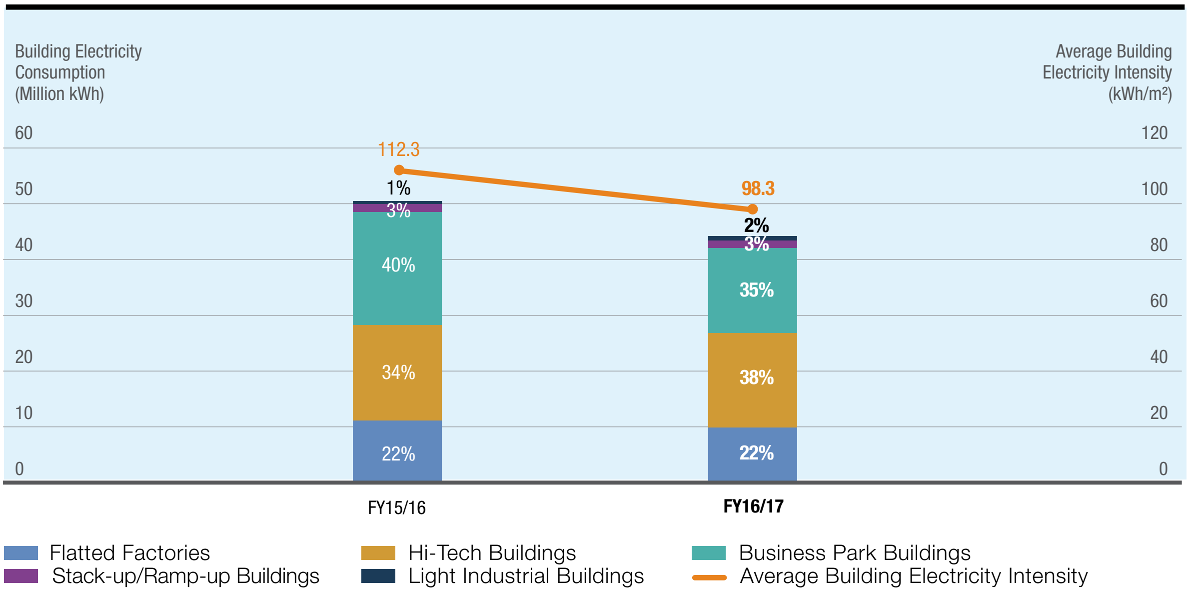
Energy use and its associated greenhouse gas ("GHG") emissions pose a significant environmental issue, due to the role GHG emissions play in global warming. Singapore has committed to reduce GHG emissions with the aim of slowing the effects of global warming. Singapore has pledged to reduce emissions intensity by 36% from 2005 levels by 2030. Industrial properties consume energy from the use of electricity for lightings, air-conditioning systems and lifts.

To reduce emissions, the Manager and the Property Manager work on the improvement of the energy performance and efficiency for MIT's properties. They also encourage their tenants to adopt more green practices. The Manager works closely with the Property Manager to identify opportunities to optimise energy efficiency within MIT's operations. This is achieved through the monitoring of monthly utilities consumption by the Property Manager to determine consumption patterns and realise opportunities for energy savings. In addition, the Property Manager complies with the submission of building-related information and electricity consumption data for selected properties to BCA on an annual basis. BCA collates this information to produce building energy benchmarks with the aim of improving energy efficiency and reducing energy consumption within the real estate industry.

Over the years, numerous initiatives to incorporate environmentally sustainable practices into its property management operations have been undertaken, which included the installation of energy efficient lightings, motion sensors as well as alternate light circuits and timers for lighting control. Tenants' fit-out designs are vetted by the Property Manager to ensure they are in compliance with the properties' power density limit.

	Unit of Measure	FY15/16	FY16/17
Reported MIT properties[2]	Number of clusters	33	**33**
	Number of properties	75	**75**
Common area	Square metre ("m^2")	449,855	**450,560**
Total building electricity consumption[3]	Million kilowatt hours ("kWh")	50.5	**44.3**
Total building GHG emissions	Tonnes carbon dioxide equivalent ("CO_2e")	21,834	**19,094**

Total Building Electricity Consumption and Average Building Electricity Intensity

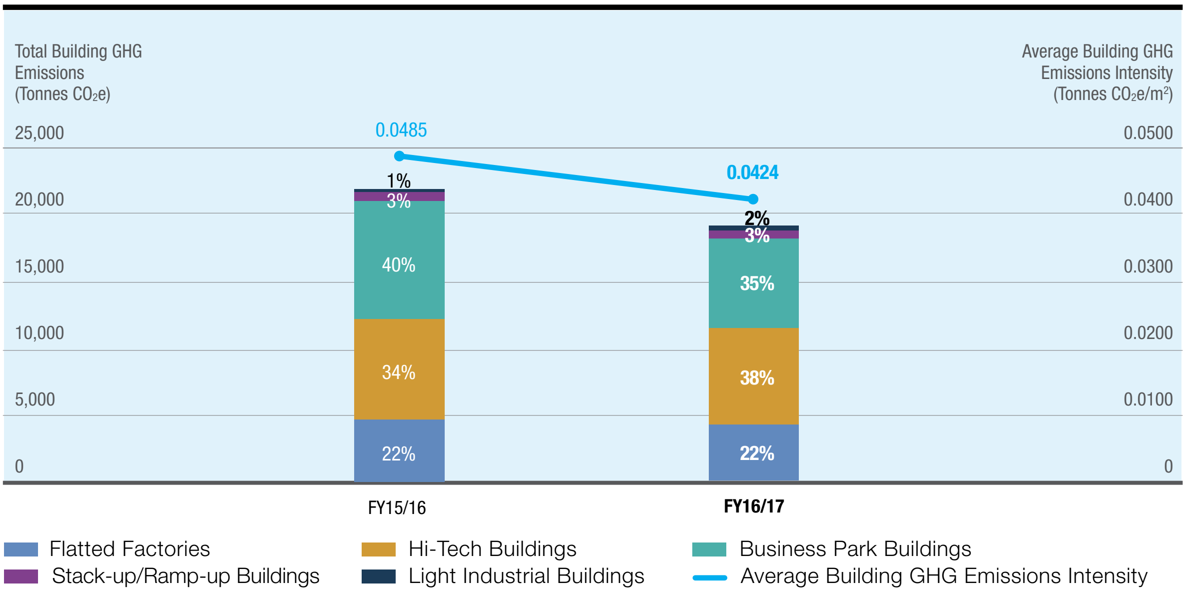


In FY16/17, MIT's total building electricity consumption at its properties recorded 44.3 million kWh, a 12.4% reduction compared to the total of 50.5 million kWh in FY15/16. Average building electricity intensity improved by 12.5% from 112.3 kWh/m^2 in FY15/16 to 98.3 kWh/m^2 in FY16/17. The reduction was attributed to the installation of a smaller chiller at K&S Corporate Headquarters (Hi-Tech Building), the lower usage of the centralised air-conditioning systems after office hours at The Strategy and The Synergy (Business Park Buildings), as well as energy savings from ongoing energy initiatives such as the use of motion sensors and more energy efficient light fittings.

[2] Excludes eight properties and three properties under development. The Manager is responsible for the environmental performance of the on-site premises and common areas of MIT's 75 properties.

[3] The electricity consumption figures reported exclude tenants' electricity consumption within the leased premises.

Total Building GHG Emissions and Average Building GHG Emissions Intensity



In FY16/17, the total building GHG emissions for MIT's properties was 19,094 tonnes CO_2e, which was 12.5% lower than the 21,834 tonnes CO_2e in FY15/16. Average building GHG emissions intensity improved by 12.6% from 0.0485 tonnes CO_2e/m^2 to 0.0424 tonnes CO_2e/m^2.

Going forward, as MIT progresses on its energy conservation efforts, the Manager will target to achieve BCA Green Mark certifications for all new developments while reducing year-on-year average building electricity intensity.

Improvement in Average Performance of the Chiller System to

0.65 kW/RT

K&S Corporate Headquarters embarked on an initiative to improve the efficiency performance of the building's chiller system as part of the BCA Green Mark certification process. A chiller with a smaller capacity was installed in July 2016 to support the building operations, which resulted in an improvement in average performance of the building's chiller system to 0.65 kilowatts per refrigeration ton ("kW/RT"). Consequently, K&S Corporate Headquarters received the BCA Green Mark Gold Award for Existing Non-Residential Buildings in March 2017.

K&S Corporate Headquarters achieved the BCA Green Mark Gold Award.

Water

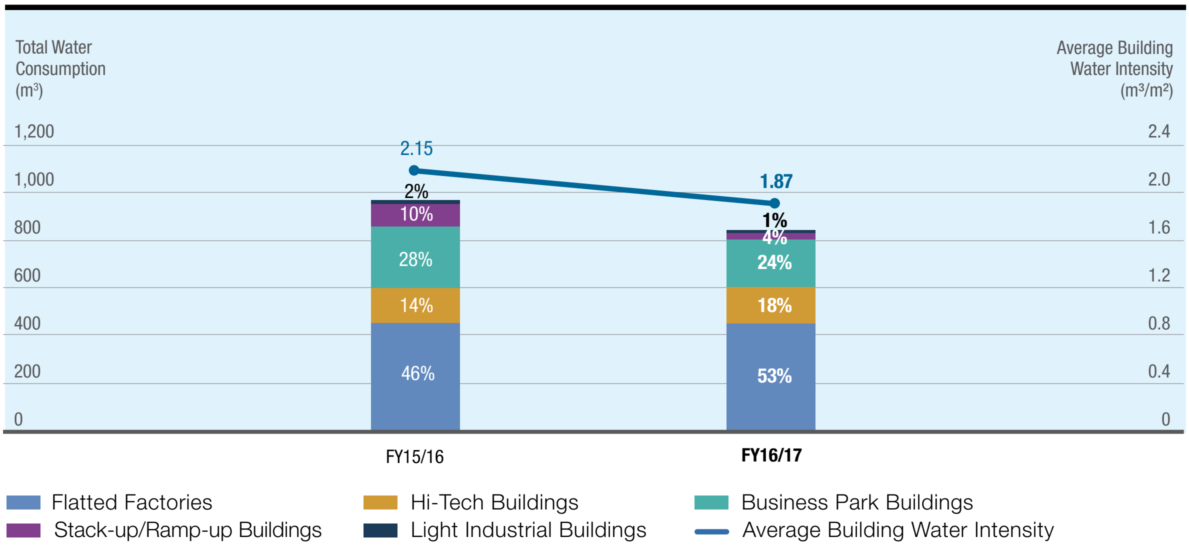
Water is a scarce natural resource and is of strategic significance to Singapore. The Manager recognises its responsibility to conserve this precious resource while providing reliable water sources to MIT's stakeholders.

The Manager and the Property Manager aims to reduce total water consumption and average building water intensity across MIT's properties. Several water-saving features have been introduced, such as utilising low flush water systems and water efficient taps, installing motion sensor water faucets as well as adopting recommended water flow rates. These initiatives have led to 31 property clusters within MIT's portfolio to be awarded the Water Efficient Building ("WEB") certifications issued by the Public Utilities Board ("PUB"). In recognition of its efforts towards water conservation, PUB also awarded the Friend of Water certification to MIT.

The Property Manager regularly tracks water usage data for common areas of all properties. Additional water meters have been installed in previous years to improve monitoring of water consumption and minimise water wastage within the premises. The Property Manager also conducts periodic checks on water supply facilities to ensure all pipes are in good condition and to execute timely repairs to resolve any water leakages.

In its continuing efforts towards responsible water stewardship, the Manager intends to focus efforts on attaining WEB certifications for all MIT's properties that the Manager has operational control. Initiatives to boost staff awareness and encourage stakeholder involvement will also be rolled out to support local programmes in their water conservation agendas.

Total Water Consumption and Average Building Water Intensity



MIT's total water consumption[4] at its properties recorded 841,091m^3 in FY16/17, compared to 965,728m^3 in FY15/16. Overall, average building water intensity recorded 1.87m^3/m^2 in FY16/17, compared to 2.15m^3/m^2 in FY15/16. The reduction was attributed to ongoing water conservation efforts and use of more water efficient sanitary fittings in MIT's upgraded toilets.

[4] The water consumption figures reported exclude the tenants' water consumption within the leased premises.

SOCIAL

The Manager is conscious of the impact of MIT's business on the social systems within which it operates.

The subsequent sections outline the efforts in ensuring the health and safety of users within MIT's properties, enhancing the development and personal well-being of the employees, and supporting local communities.

Health and Safety

The Manager and the Property Manager place a strong emphasis on safeguarding the health and safety of all employees, tenants, third-party service providers and visitors at all times.

Overview of Health and Safety Policies and Procedures

Stakeholder	Policies and Procedures
Employees	• Health-related programmes are organised at the premises in conjunction with the Health Promotion Board while health and safety policies for employees are outlined in the Employee Handbook.
Tenants	• Tenants are provided with the following instructional manuals to ensure that the highest health and safety standards are adopted: a Fit-Out Manual which details clauses on safety rules for additions and alterations works, a Fire Safety Manual and Evacuation Plan as well as a Tenant Handbook which contains clauses on safety rules and specifies some "Dos and Don'ts" in their business operations. • Fire and evacuation drills are conducted bi-annually to familiarise tenants with the emergency response plan. Regular communications in the form of circulars are issued to tenants as and when heightened security and health risk arises, such as during external terrorist threats and haze situations. • Employees of the Property Manager carry out site walkabouts every working day to ensure that there are no potential safety and health hazards. • Tenants are encouraged to use environmentally friendly products and limit the use of items that will negatively impact the indoor air quality.
Third-party service providers	• Requirements on health and safety standards are embedded within the screening and selection criteria for the engagement of third-party service providers. Appointed third-party service providers are required to abide by the specific health and safety policies set within the terms and conditions of their service contracts.
Visitors	• Employees of the Property Manager carry out site walkabouts on every working day to ensure that there are no potential safety and health hazards. • Properties have sufficient directional signages, emergency exits and emergency lightings for the safety of visitors. Lifts and fire alarm systems are tested annually to comply with building regulations.

SUSTAINABILITY **REPORT**

Standard operating procedures to guide staff on their response to emergencies have been put in place. MIT's properties are managed by property management staff who are trained in first aid and fire-fighting. The Manager has also developed a reporting protocol in the event of serious construction accidents at any of its development sites. This allows for timely investigation and incident management. The Manager also complies with the Ministry of Manpower's reporting requirements on workplace incidents.

Employees of the Property Manager are trained to perform risk assessments for the various works to be carried out by contractors and ensure safety measures are in place prior to the commencement of works. All employees are encouraged to take responsibility and ownership of all issues relating to operational health and safety.

To strengthen operational readiness, a business continuity exercise led by the Sponsor was conducted in FY16/17 to test mobilisation and recovery times at alternate sites. Redhill 2, MIT's Flatted Factory Cluster, was used as one of the alternate sites, which allowed the employees of the Manager and the Property Manager to experience a disaster operation recovery exercise and understand the requirements.

Bi-annual fire and evacuation drills are conducted at all MIT's properties. MIT's properties are also subject to fire safety audits and regular maintenance of safety equipment such as sprinkler systems, hose reels, emergency lighting, alarms, pumps and smoke vents.

Employees of the Manager and the Property Manager reported zero workplace fatalities and zero major accidents in FY16/17. Within the reporting period, there was no incident of non-compliance with health and safety regulations.

Going forward, the Manager and the Property Manager aim to continue engaging MIT's stakeholders to proactively mitigate health and safety risks within MIT's properties. Regular health and safety trainings will be conducted for relevant employees. Annual risk assessments will be held at each property in addition to the periodic checks and maintenance on lifts, escalators and stairwells so as to ensure the safety of tenants and visitors in the properties. The Property Manager will also continue to monitor the health and safety performance of third-party service providers through regular spot checks to ensure compliance. These initiatives will facilitate the continued achievement of zero workplace fatalities and major accidents as well as zero breaches of non-compliance with health and safety regulations.

Talent Retention

The Manager and the Property Manager are wholly-owned subsidiaries of the Sponsor. Through the Sponsor's integrated human capital strategies and initiatives, the Manager and the Property Manager believe in creating a diverse, inclusive and collaborative workplace, which is integral to the growth and success of the Mapletree Group.

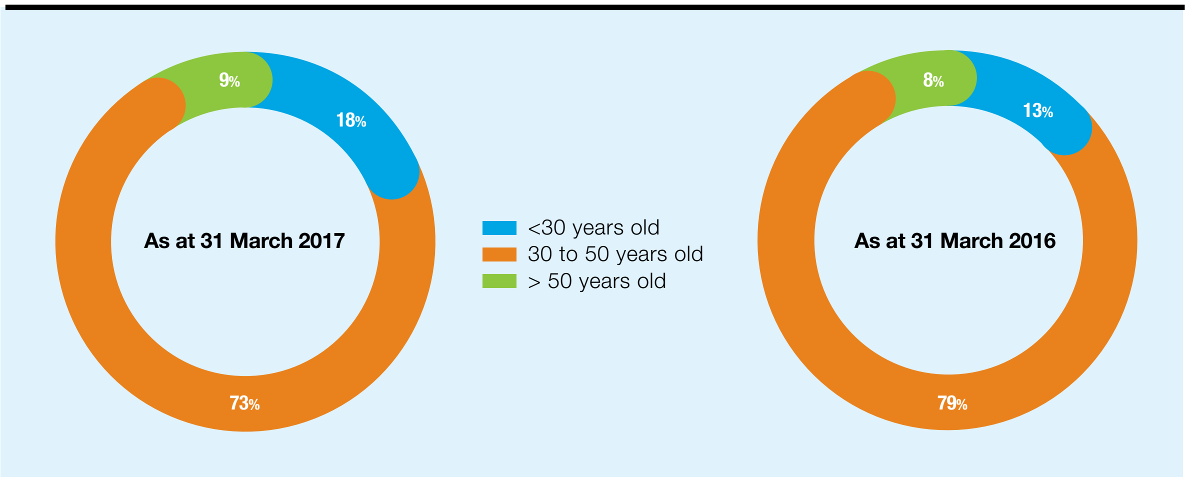
The Manager and the Property Manager recognise that the long-term sustainability of MIT's business is influenced by their ability to attract and retain talent. The Sponsor has in place integrated human capital strategies and initiatives with a strong emphasis on equal opportunities, talent development, competitive compensation packages and employee wellness. Its employment practices have been refined to adhere strictly to local labour laws while its human resource policies are grounded on equal opportunities and fair employment practices. All human resource policies, such as the hiring, equal opportunity and learning and development are made available to employees in the Employee Handbook.

Recognising the importance of attracting motivated and likeminded individuals, the Sponsor continues to adopt various platforms to reach out to potential talents such as the Mapletree Internship Programme and Work Placement Programme. In addition, the Sponsor's Mapletree Associate Programme and Mapletree Executive Programme seek to attract graduates and post-graduates who are interested to enter the real estate industry.

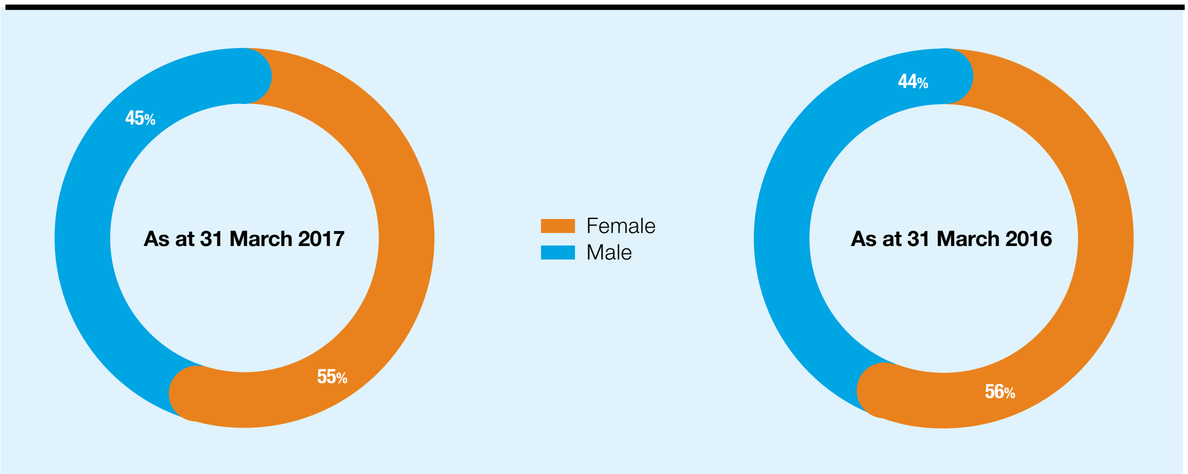
The Manager and the Property Manager have maintained a diverse workforce in terms of age and gender. As at 31 March 2017, there were 168 employees, all located in Singapore. This was 9.1% higher as compared to the preceding financial year. The average monthly turnover rate was 1.1% while the average monthly new hire rate was 1.7% in FY16/17.

As at 31 March 2017, the majority of employees were within the 30 to 50 years age group. Female and male employees constituted 55% and 45% respectively as at 31 March 2017. The profiles of employee diversity by age and gender remained largely stable as compared to the previous year.

Employee Diversity by Age



Employee Diversity by Gender



People Development

The Sponsor invests in learning and development initiatives to build a capable team equipped with the relevant competencies so as to drive business goals.

The Sponsor promotes an active approach to learning and encourages its employees to participate in various learning and development programmes and education sponsorships. Examples include the Mapletree Immersion Programme, Mapletree Leadership Programmes, Mapletree Performance Management workshops and the Mapletree Service with a Difference Programme as well as various functional and technical training programmes.

The Industrial Communications Forum is a bi-annual town hall event for the Manager and the Property Manager to engage and update all employees on business performance and strategies. It also serves as a platform for two-way communications and feedback.

To ensure continuous development, the Sponsor has also implemented a robust performance appraisal system, which allows employees to identify learning needs and communicate development goals. The feedback on performance aids employees in recognising gaps in performance and areas for improvement. In FY16/17, the Sponsor successfully launched the e-Performance Appraisal ("ePA") system on a Group-wide level. The integrated ePA system will align evaluation practices across the Mapletree Group as well as effectively track key performance indicators and employees' personal development.

Employee Well-being

The Sponsor strives to create a positive and engaging working environment. The Sponsor's Recreation Club organises activities to promote employee interaction and family cohesiveness. Activities included movie screenings, Eat with Your Family, Durian Fest and Safari Zoo Run. Corporate passes to selected Singapore attractions are made available for reservations to employees.

Together with the Health Promotion Board, the Sponsor organises the Workplace Health Promotion series to promote a healthy lifestyle, which are also extended to all tenants at Mapletree Business City. These activities include an annual health screening session and blood donation drive, lunch talks on lifestyle topics and monthly fitness programmes.

In FY16/17, the Sponsor launched the Mapletree Education Award ("EduAward") aimed at recognising academic achievements of its Singapore-based employees' children. Comprising cash awards ranging from S$150 to S$500, the EduAwards are given out twice a year, with the first batch of 41 awards distributed in March 2017.

The Sponsor celebrated academic achievements of its Singapore-based employees' children at the Mapletree EduAward.

Local Communities

In line with the Sponsor's corporate philosophy to nurture communities, the Manager strives to incorporate sustainable practices in MIT's operations and support local communities. The Manager's efforts to integrate ESG considerations into MIT's business are aligned with the Sponsor's CSR programme.

Underpinning the Sponsor's efforts is the Mapletree Shaping and Sharing Programme, a group-wide CSR framework that focuses on two broad objectives of empowering individuals and enriching communities. A five-member CSR Board Committee comprising Mapletree Group's chairman, two Board representatives from the four REITs (rotated on a two-year basis), and senior management, provides strategic oversight of the Programme. Ms Mary Yeo, Independent Non-Executive Director, represented the Manager in the committee for FY16/17. All proposed community involvement initiatives are assessed against the Mapletree CSR framework. These recommendations are subsequently put across to the CSR Board Committee for its final assessment. Activities with definable social outcomes and longer term engagement, as well as staff volunteerism opportunities, are prioritised.

The Sponsor aligns business performance with its CSR efforts by setting aside S$1 million annually to fund social commitments and programmes. This increases to S$2 million when the Mapletree Group's profit after tax and minority interests for the year exceeds S$300 million, as it did in FY16/17.

Community Initiatives

The Manager and the Property Manager support projects and causes that are broadly in line with the Sponsor's CSR framework. They believe that corporate giving should extend beyond philanthropy and encourage staff to support meaningful causes in the community. In November 2016, tenants at three MIT's property clusters donated pre-loved items and gifts which staff volunteers distributed to the beneficiaries of Movement for the Intellectually Disabled of Singapore.

'Make a Wish Come True'

In December 2016, the Manager and the Property Manager jointly organised a 'Make a Wish Come True' initiative at six MIT's property clusters. The event garnered strong support from tenants and staff volunteers who fulfilled more than 150 wishes for families and children from the Children's Wishing Well and AWWA and donated items such as school bags, sports attires and groceries. Staff volunteers also participated actively in the preparation and disbursement of items to the children.

Staff volunteers delivered presents to Children's Wishing Well.


Tenants and staff volunteers fulfilled wishes of children at AWWA.

Various programmes were organised to enhance tenant relationships. In collaboration with SME Centre @ Singapore Manufacturing Federation (SME Centre @ SMF), the Manager and the Property Manager organised a seminar focused on Lean Enterprise Development Scheme, with the aim of helping SMEs to raise their productivity level through innovation and automation, as well as training staff and creating higher quality job opportunities. The event was well-attended by over 150 tenants, with the majority expressing interest to further explore with the relevant agencies on the suitable schemes for their businesses.

Together with SME Centre, the Manager and the Property Manager also conducted a workshop on branding and digital marketing for the tenants to highlight the importance of the digital platform for business growth and the government grants available for SMEs.

In partnership with the Health Promotion Board, a-year long programme aimed to promote healthy and active lifestyle among the working population within the Kallang Basin and Serangoon North Clusters was launched. The monthly activities included Archery Tag, In-line Skating, Muay Thai, Piloxing and Zumba as well as lunchtime workshops on topics such as Healthy Eating, Diabetes Prevention, Heart Diseases. Special roadshows for the Health Promotion Board's National Steps Challenge were held at these clusters, where free step trackers were given out to approximately 250 participants to encourage an active lifestyle.

The Manager and the Property Manager are members of several industry organisations including REITAS, Association of Small and Medium Enterprises, Singapore Chinese Chamber of Commerce and Singapore

MIT and SME Centre @ SMF held a seminar for SME to understand how to raise productivity level through innovation and automation, as well as training staff and creating higher quality job opportunities.

Annual blood donation drive at Mapletree Business City.

International Chamber of Commerce. Through these organisations, the Manager and the Property Manager are able to engage tenants, prospective clients, regulators and investors to improve the REIT industry and strengthen relationships.

The Manager and the Property Manager are conscious of MIT's impact on the community and stakeholders. Prior to the commencement of the AEI at 30A Kallang Place and Kallang Basin 4 Cluster, the Asset Management, the Property Management and the Marketing Departments actively engaged existing tenants on the issues arising from the construction works. Circulars were also distributed to existing tenants to update them on the progress of the construction works.

The Manager and the Property Manager continue to explore ways to create sustainable long-term value for MIT's communities. MIT aims to develop a structured feedback platform to gather opinions from the local communities on ways it can achieve this. At present, members of the public are welcome to provide feedback via the corporate website email while tenants can contact on-site representatives of the Property Manager.

Piloxing at the Serangoon North Cluster.

GOVERNANCE

The Manager is committed to conducting MIT's business in compliance with applicable laws and regulations, which is vital for the long-term sustainability of its business. The Sponsor takes a strong stance against corruption so as to protect the Mapletree Group's reputation and preserve brand integrity.

Compliance with Laws and Regulations

The Manager upholds a high standard of corporate governance and transparency in MIT's business. A robust corporate governance framework is in place with policies that are developed to uphold the Mapletree Group's core values. For more information on Corporate Governance, please refer to pages 69 to 82 of this Annual Report.

In the age of cyber-crime and cyber-attacks, the Manager also recognises the importance of adherence to information security policies and procedures set out by the Sponsor as a means of data protection. The Manager also includes confidentiality clauses in all tenancy agreements and follows data protection procedures while handling personal data collected during MIT's operations.

The Manager intends to continue to conduct regular trainings to educate its directors and employees on developments in laws and regulations that are relevant to MIT's business, to keep them up-to-date with best practices and industry standards.

Anti-corruption

Employees are required to adhere to an ethics and code of conduct policy and maintain high levels of integrity. The Manager reserves the right at all times to terminate an employee's service if he/she is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment. Employees are required to comply with the Mapletree Group's policies and procedures at all times and in all areas, including attendance, safe work practices and professional conduct.

Mapletree Group's policies include specific guidance on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of lavish gifts and entertainment. To reinforce a culture of good business ethics and governance, a Whistle-blowing Policy establishes procedures for reporting in good faith any improper conduct while protecting whistle-blowers from reprisals. A dedicated email address (reporting@mapletree.com.sg) is available for the filing of whistle-blowing reports. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for investigation and to the AC of the Manager on the findings.

Procedures are in place to monitor and manage the risk of non-compliance with laws and regulations, including the anti-money laundering policy. Where there are cases of threatened or pending litigation, such incidents are reported at once to the CEO of the Manager and the Sponsor's Head of Group Corporate Services and Group General Counsel for timely resolution. On dealing in MIT units, directors and employees receive notification prior to the start of any trading ban period to ensure compliance.

Marketing Communications

Marketing collaterals and Unitholder communications are distributed for the marketing of MIT's properties and promotion of investment opportunities in MIT. The content and dissemination of such information is subject to various regulations and laws.

Marketing collaterals are vetted by the Manager and the Property Manager for accuracy, consistency, and compliance with policies, such as the Singapore Code of Advertising Practice and the Personal Data Protection Act. All tenancy agreements include a clause, which requires tenants to abide by the relevant laws and regulations governing marketing communications and advertisement placements within MIT's properties.

The Manager is committed to equitable, timely and transparent Unitholder communications through the issuance of SGX announcements and press releases, regular website updates, publications of its annual reports as well as "live" audio webcasts of the analyst briefings. The information is reviewed by the Manager for accuracy, consistency, and compliance with SGX and MAS regulations before issuance. The Manager also communicates regularly with MIT's investors through annual general meetings, non-deal roadshows, conferences and meetings as well as conference calls.

There were no material breaches of relevant local laws and regulations, including marketing communication and anti-corruption laws over the 12 months of this reporting period.

CORPORATE **DIRECTORY**

MANAGER

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Mr Wong Meng Meng
Non-Executive Chairman and Director

Mr Soo Nam Chow
Independent Non-Executive Director

Mr John Koh Tiong Lu
Lead Independent Non-Executive Director

Mr Seah Choo Meng
Non-Executive Director

Mr Wee Joo Yeow
Independent Non-Executive Director

Ms Mary Yeo Chor Gek
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Mr Wong Mun Hoong
Non-Executive Director

Mr Tham Kuo Wei
Executive Director and
Chief Executive Officer

AUDIT AND RISK COMMITTEE

Mr Soo Nam Chow
Chairman

Mr John Koh Tiong Lu

Mr Seah Choo Meng

NOMINATING AND REMUNERATION COMMITTEE

Mr Wee Joo Yeow
Chairman

Ms Mary Yeo Chor Gek

Mr Hiew Yoon Khong

MANAGEMENT

Mr Tham Kuo Wei
Chief Executive Officer

Ms Ler Lily
Chief Financial Officer

Mr Peter Tan Che Heng
Head of Investment

Ms Serene Tam Mei Fong
Head of Asset Management

CORPORATE SERVICES

Mr Wan Kwong Weng
Joint Company Secretary

Ms See Hui Hui
Joint Company Secretary

PROPERTY MANAGEMENT

Mr Tan Wee Seng
Head of Group Development Management

Ms Chng Siok Khim
Head of Marketing

Mr Paul Tan Tzyy Woon
Head of Property Management

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AUDITOR

PricewaterhouseCoopers LLP
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Mr Yeow Chee Keong
Partner
(With effect from financial year ended 31 March 2015)

FINANCIAL **STATEMENTS**

REPORT OF
THE TRUSTEE

For the financial year ended 31 March 2017

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MIT and the Group during the financial year covered by these financial statements, set out on pages 109 to 155, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim
Director

Singapore, 24 April 2017

STATEMENT BY **THE MANAGER**

For the financial year ended 31 March 2017

In the opinion of the directors of Mapletree Industrial Trust Management Ltd., the accompanying financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group"), as set out on pages 109 to 155, comprising the Statements of Financial Position and Portfolio Statement for MIT and the Group as at 31 March 2017, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds for MIT and the Group, the Consolidated Statement of Cash Flows for the Group and Notes to the Financial Statements for the year then ended are drawn up so as to present fairly, in all material respects, the financial position of MIT and of the Group as at 31 March 2017 and the total return, amount distributable and movements in Unitholders' funds of MIT and the Group and consolidated cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that MIT and the Group will be able to meet its financial obligations as and when they materialise.

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

Tham Kuo Wei
Director

Singapore, 24 April 2017

INDEPENDENT
AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Industrial Trust ("MIT") and its subsidiaries (the "Group") and the Statement of Total Return, Statement of Financial Position, Statement of Movement in Unitholders' Funds and Statement of Portfolio of MIT are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MIT as at 31 March 2017 and the consolidated financial performance of the Group and the financial performance of MIT, consolidated movements of unitholders' funds of the Group and movement in unitholders' funds of MIT, consolidated portfolio holdings of the Group and portfolio holdings of MIT and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MIT and the Group comprise:
- the statements of total return of the Group and MIT for the financial year then ended;
- the statements of financial position of the Group and MIT as at 31 March 2017;
- the distribution statements of the Group and MIT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements of unitholders' funds for the Group and MIT for the financial year then ended;
- the portfolio statement for the Group and MIT for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

INDEPENDENT
AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Refer to Note 12 (Investment Properties and Investment Properties under Development) to the financial statements.* As at 31 March 2017, the carrying value of the Group's investment properties of $3.7 billion accounted for 98.7% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuer engaged by the Group; • obtained an understanding of the techniques used by the external valuer in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuer for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuer; and • assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuer to be a member of recognised bodies for professional valuer. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and other sections of MIT's Annual Report 2016/2017 ("Other Sections"), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Other information (continued)

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

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

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT
AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE INDUSTRIAL TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 24 April 2017

STATEMENTS OF
TOTAL RETURN

For the financial year ended 31 March 2017

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

* Amount less than $1,000

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

STATEMENTS OF **FINANCIAL POSITION**

As at 31 March 2017

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

* Amount less than $1,000

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

DISTRIBUTION **STATEMENTS**

For the financial year ended 31 March 2017

	Group		MIT	
	FY16/17 $'000	FY15/16 $'000	**FY16/17 $'000**	FY15/16 $'000
Amount available for distribution to Unitholders at beginning of the year	**51,361**	47,673	**51,361**	47,673
Total return for the year	**270,571**	272,580	**266,430**	271,829
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(65,611)**	(74,750)	**(61,470)**	(73,999)
Amount available for distribution	**204,960**	197,830	**204,960**	197,830
Distribution to Unitholders:				
Distribution of 2.65 cents per unit for the period from 01 January 2015 to 31 March 2015	**–**	(46,344)	**–**	(46,344)
Distribution of 2.73 cents per unit for the period from 01 April 2015 to 30 June 2015	**–**	(48,068)	**–**	(48,068)
Distribution of 2.79 cents per unit for the period from 01 July 2015 to 30 September 2015	**–**	(49,391)	**–**	(49,391)
Distribution of 2.82 cents per unit for the period from 01 October 2015 to 31 December 2015	**–**	(50,339)	**–**	(50,339)
Distribution of 2.81 cents per unit for the period from 01 January 2016 to 31 March 2016	**(50,606)**	–	**(50,606)**	–
Distribution of 2.85 cents per unit for the period from 01 April 2016 to 30 June 2016	**(51,336)**	–	**(51,336)**	–
Distribution of 2.83 cents per unit for the period from 01 July 2016 to 30 September 2016	**(50,984)**	–	**(50,984)**	–
Distribution of 2.83 cents per unit for the period from 01 October 2016 to 31 December 2016	**(50,992)**	–	**(50,992)**	–
Total Unitholders' distribution (including capital distribution) (Note B)	**(203,918)**	(194,142)	**(203,918)**	(194,142)
Amount available for distribution to Unitholders at end of the year	**52,403**	51,361	**52,403**	51,361

Note A:

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

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

Note B:

Total Unitholders' distribution

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

* Amount less than $1,000

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

CONSOLIDATED STATEMENT
OF CASH FLOWS

For the financial year ended 31 March 2017

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

* Amount less than $1,000

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

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

STATEMENTS OF MOVEMENTS
IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2017

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

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

PORTFOLIO
STATEMENT

As at 31 March 2017

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT				
Flatted Factories				
Chai Chee Lane	26/08/2011	60 years	54 years	510, 512 & 514 Chai Chee Lane Singapore
Changi North	01/07/2008	60 years	51 years	11 Changi North Street 1 Singapore
Clementi West	01/07/2008	30 years	21 years	1 Clementi Loop Singapore
Kaki Bukit	01/07/2008	60 years	51 years	2, 4, 6, 8 & 10 Kaki Bukit Avenue 1 Singapore
Kallang Basin 1	26/08/2011	20 years	14 years	5 & 7 Kallang Place Singapore
Kallang Basin 2	26/08/2011	20 years	14 years	9 & 11 Kallang Place Singapore
Kallang Basin 3	26/08/2011	30 years	24 years	16 Kallang Place Singapore
Kallang Basin 4	01/07/2008	33 years	24 years	26, 26A, 28 & 30 Kallang Place Singapore
Kallang Basin 5	01/07/2008	33 years	24 years	19, 21 & 23 Kallang Avenue Singapore
Kallang Basin 6	01/07/2008	33 years	24 years	25 Kallang Avenue Singapore
Kampong Ampat	01/07/2008	60 years	51 years	171 Kampong Ampat Singapore
Kampong Ubi	26/08/2011	60 years	54 years	3014A, 3014B & 3015A Ubi Road 1 Singapore
Kolam Ayer 1	01/07/2008	43 years	34 years	8, 10 & 12 Lorong Bakar Batu Singapore
Kolam Ayer 2	01/07/2008	43 years	34 years	155, 155A & 161 Kallang Way Singapore

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

Gross revenue FY16/17 $'000	Gross revenue FY15/16 $'000	Average occupancy rate FY16/17 %	Average occupancy rate FY15/16 %	Latest valuation date	Valuation as at 31/03/2017 $'000	Valuation as at 31/03/2016 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2017 %	Percentage of total net assets attributable to Unitholders as at 31/03/2016 %
12,563	12,754	**89.5**	94.0	31/03/2017	**148,500**	147,600	**5.9**	5.9
1,683	1,949	**74.4**	85.0	31/03/2017	**19,100**	20,600	**0.8**	0.8
4,809	4,575	**98.0**	96.2	31/03/2017	**36,700**	36,700	**1.4**	1.5
18,605	18,611	**93.7**	95.9	31/03/2017	**201,500**	198,500	**8.0**	8.1
2,989	2,908	**96.9**	96.9	31/03/2017	**19,400**	20,500	**0.8**	0.8
5,277	5,086	**94.2**	92.0	31/03/2017	**36,000**	38,500	**1.4**	1.6
8,114	8,060	**89.9**	92.1	31/03/2017	**77,000**	77,000	**3.0**	3.1
8,395	8,572	**93.8**	94.9	31/03/2017	**74,400**	88,400[2]	**2.9**	3.6
6,304	6,157	**96.7**	95.7	31/03/2017	**55,400**	55,400	**2.2**	2.2
4,744	4,800	**96.9**	99.1	31/03/2017	**41,000**	41,000	**1.6**	1.7
10,702	10,350	**99.6**	100.0	31/03/2017	**102,700**	102,700	**4.0**	4.2
10,354	10,246	**90.3**	89.2	31/03/2017	**122,900**	122,900	**4.8**	5.0
7,503	7,463	**97.9**	98.2	31/03/2017	**73,100**	73,100	**2.9**	3.0
7,200	7,119	**90.9**	90.3	31/03/2017	**68,000**	68,000	**2.7**	2.8

PORTFOLIO **STATEMENT**

As at 31 March 2017

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
<u>Investment properties held under MIT</u> (continued)				
<u>Flatted Factories</u> (continued)				
Kolam Ayer 5	01/07/2008	43 years	34 years	1, 3 & 5 Kallang Sector Singapore
Loyang 1	01/07/2008	60 years	51 years	30 Loyang Way Singapore
Loyang 2	01/07/2008	60 years	51 years	2, 4 & 4A Loyang Lane Singapore
Redhill 1	01/07/2008	30 years	21 years	1001, 1001A & 1002 Jalan Bukit Merah Singapore
Redhill 2	01/07/2008	30 years	21 years	1003 & 3752 Bukit Merah Central Singapore
Tanglin Halt	01/07/2008	56 years	47 years	115A & 115B Commonwealth Drive Singapore
Tiong Bahru 1	01/07/2008	30 years	21 years	1090 Lower Delta Road Singapore
Tiong Bahru 2	01/07/2008	30 years	21 years	1080, 1091, 1091A, 1092 & 1093 Lower Delta Road Singapore
Toa Payoh North 2	01/07/2008	30 years	21 years	1004 Toa Payoh North Singapore
Toa Payoh North 3	01/07/2008	30 years	21 years	1008 & 1008A Toa Payoh North Singapore
<u>Hi-Tech Buildings</u>				
1 Depot Close[3]	01/07/2008	60 years	51 years	1 Depot Close Singapore
26A Ayer Rajah Crescent	27/01/2015[4]	30 years	26 years	26A Ayer Rajah Crescent Singapore
K&S Corporate Headquarters	04/10/2013[4]	30 + 28.5 years	54 years	23A Serangoon North Avenue 5 Singapore
Serangoon North	01/07/2008	60 years	51 years	6 Serangoon North Avenue 5 Singapore

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

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

PORTFOLIO STATEMENT

As at 31 March 2017

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under MIT (continued)				
Hi-Tech Buildings (continued)				
Toa Payoh North 1	01/07/2008	30 years	21 years	970, 978, 988 & 998 Toa Payoh North Singapore
Woodlands Central	01/07/2008	60 years	51 years	33 & 35 Marsiling Industrial Estate Road 3 Singapore
Business Park Buildings				
The Signature	01/07/2008	60 years	51 years	51 Changi Business Park Central 2 Singapore
The Strategy	01/07/2008	60 years	51 years	2 International Business Park Singapore
The Synergy	01/07/2008	60 years	51 years	1 International Business Park Singapore
Stack-up/Ramp-up Buildings				
Woodlands Spectrum 1 and 2	01/07/2008	60 years	51 years	2 Woodlands Sector 1, 201, 203, 205, 207, 209 and 211 Woodlands Avenue 9 Singapore
Light Industrial Building				
2A Changi North Street 2	28/05/2014	30 + 30 years	44 years	2A Changi North Street 2 Singapore
Subtotal – Investment properties held under MIT				
Investment properties under development held under MIT				
Hi-Tech Buildings				
1A Depot Close[3]	01/07/2008	60 years	51 years	1A Depot Close Singapore
30A Kallang Place[2]	01/07/2008	33 years	24 years	30A Kallang Place Singapore
Mukim 06 Lot 00869CPT[5]	–	30 years	30 years	Mukim 06 Lot 00869CPT
Subtotal – Investment properties under development held under MIT				
Subtotal – MIT				

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

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

PORTFOLIO **STATEMENT**

As at 31 March 2017

Description of property/cluster[1]	Acquisition date	Term of lease *	Remaining term of lease *	Location
Investment properties held under Mapletree Singapore Industrial Trust ("MSIT")				
Hi-Tech Buildings				
19 Tai Seng Drive	21/10/2010	30 + 30 years	34 years	19 Tai Seng Drive Singapore
Tata Communications Exchange	21/10/2010	30 + 30 years	52 years	35 Tai Seng Street Singapore
Light Industrial Buildings				
19 Changi South Street 1	21/10/2010	30 + 30 years	40 years	19 Changi South Street 1 Singapore
26 Woodlands Loop	21/10/2010	30 + 30 years	38 years	26 Woodlands Loop Singapore
45 Ubi Road 1	21/10/2010	30 + 30 years	36 years	45 Ubi Road 1 Singapore
65 Tech Park Crescent	21/10/2010	60 years	36 years	65 Tech Park Crescent Singapore
Subtotal – MSIT				

Gross revenue / investment properties and investment properties under development – Group[6]
Other assets and liabilities (net) – Group
Net assets attributable to Unitholders – Group

* Refers to the tenure of underlying land. Remaining term of lease includes option to renew the land leases.
** Amount less than 0.1%

1 A cluster consists of one or more individual buildings situated on the same land lot or adjoining land lots.
2 The asset enhancement initiative involves the development of a new 14-storey high specification building and improvement works at the existing buildings in the Kallang Basin 4 Cluster, which was announced on 20 October 2015. The new 14-storey high specification building, 30A Kallang Place, has been reclassified as an investment property under development and a Hi-Tech Building as at 31 March 2017.
3 Telok Blangah Cluster was redeveloped as a build-to-suit ("BTS") facility for HP Singapore ("HP"), which has been renamed after its address as 1 and 1A Depot Close. 1 Depot Close ("Phase One of the BTS development") had obtained its Temporary Occupation Permit ("TOP") on 21 October 2016 and has been reclassified as an investment property. 1A Depot Close ("Phase Two of the BTS development") is accounted for as an investment property under development as at 31 March 2017.
4 Refers to the TOP date.
5 Refers to a new six-storey BTS data centre to be developed in the West Region of Singapore, which was announced on 5 March 2017.
6 Investment properties comprise a portfolio of industrial buildings that are leased to external customers.

The carrying amounts of the Singapore investment properties were based on independent valuations as at 31 March 2017. The valuations were undertaken by Savills Valuation & Professional Services (S) Pte Ltd ("Savills"), an independent valuer. Savills has appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the Income Capitalisation method, Discounted Cash Flow method, Residual Land Value method, and where applicable, the Direct Sale Comparison method as described in Note 12(d). It is the intention of the Group and MIT to hold the investment properties for the long term.

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

Gross revenue FY16/17 $'000	Gross revenue FY15/16 $'000	Average occupancy rate FY16/17 %	Average occupancy rate FY15/16 %	Latest valuation date	Valuation as at 31/03/2017 $'000	Valuation as at 31/03/2016 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2017 %	Percentage of total net assets attributable to Unitholders as at 31/03/2016 %
1,702	1,669	**100.0**	100.0	31/03/2017	**20,100**	16,100	**0.8**	0.7
10,797	10,588	**100.0**	100.0	31/03/2017	**95,650**	95,650	**3.8**	3.9
1,024	1,304	**52.8**	99.5	31/03/2017	**14,000**	14,000	**0.6**	0.6
2,164	2,111	**100.0**	100.0	31/03/2017	**25,500**	25,500	**1.0**	1.0
2,391	2,550	**95.8**	100.0	31/03/2017	**25,000**	25,000	**1.0**	1.0
1,107	1,085	**100.0**	100.0	31/03/2017	**17,600**	17,600	**0.7**	0.7
19,185	19,307				**197,850**	193,850		
340,565	331,598				**3,748,650**	3,557,850	**148.0**	144.3
					(1,215,861)	(1,092,626)	**(48.0)**	(44.3)
					2,532,789	2,465,224	**100.0**	100.0

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

1. GENERAL

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

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

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

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

(A) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of MIT ("Deposited Property") (subject to a minimum of $12,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders. The Trustee's fees are payable monthly in arrears out of the Deposited Property of the Group. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current arrangement between the Manager and the Trustee, the Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $12,000 per month).

(B) Manager's Management fees

The Manager is entitled under the Trust Deed to receive the following remuneration:

(i) A base fee of 0.5% per annum of the value of MIT's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) A performance fee of 3.6% per annum of the net property income of MIT or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager will be paid in the form of cash and/or Units. The base fees are paid in cash and/or Units are paid quarterly, in arrears.

With effect from 1 April 2016, the performance fee shall be paid annually, in compliance with the Collective Investment Scheme issued by the Monetary Authority of Singapore.

1. GENERAL (CONTINUED)

(C) Acquisition, Divestment and Development Management fees

The Manager is entitled to receive the following fees (if not prohibited by the Property Funds Appendix or if otherwise permitted):

(i) an acquisition fee not exceeding 1.0% of the acquisition price of real estate or real estate-related assets acquired directly or indirectly, through one or more Special Purpose Vehicles ("SPV"), pro-rated if applicable to the proportion of MIT's interest. For the purposes of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate; and

(ii) a divestment fee not exceeding 0.5% of the sale price of real estate-related assets disposed, pro-rated if applicable to the proportion of MIT's interest. For the purposes of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate; and

(iii) a development management fee not exceeding 3.0% of the total project costs incurred in a development project undertaken by the Manager on behalf of MIT.

The acquisition and divestment management fees will be paid in the form of cash and/or Units and are payable as soon as practicable after completion of the acquisition and disposal respectively.

The development management fees will be paid in the form of cash and is payable in equal monthly instalments over the construction period based on the Manager's best estimate of the total project costs and construction period and, if necessary, a final payment of the balance amount when the total project costs are finalised.

(D) Fees under the Property Management Agreement

(i) Property management services

The Trustee will pay Mapletree Facilities Services Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), a fee of up to 2.0% per annum of the gross revenue of each property.

(ii) Lease management services

The Trustee will pay the Property Manager, for each fiscal year, a fee of up to 1.0% per annum of the gross revenue of each property.

(iii) Marketing services

The Trustee will pay the Property Manager, the following commissions:

- Up to 1 month's gross rent inclusive of service charge, for securing a tenancy of 3 years or less;
- Up to 2 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years;
- Up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of 3 years or less; or
- Up to 1 month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than 3 years.

If a third party agent secures a tenancy, the Property Manager will be responsible for all marketing services commission payable to such third party agent, and the Property Manager will be entitled to a marketing services commission of;

- Up to 1.2 months' gross rent inclusive of service charge, for securing a tenancy of 3 years or less; or
- Up to 2.4 months' gross rent inclusive of service charge, for securing a tenancy of more than 3 years.

1. GENERAL (CONTINUED)

(D) Fees under the Property Management Agreement (continued)

(iv) Project management services

The Trustee will pay the Property Manager, for each development or redevelopment, the refurbishment, retrofitting and renovation work of a property located in Singapore, the following fees:

- Where the construction costs are $2.0 million or less, a fee of 3.0% of the construction costs;
- Where the construction costs exceed $2.0 million but do not exceed $20.0 million, a fee of 2.0% of the construction costs or $60,000, whichever is the higher;
- Where the construction costs exceed $20.0 million but do not exceed $50.0 million, a fee of 1.5% of the construction costs or $400,000, whichever is the higher; and
- Where the construction costs exceed $50.0 million, a fee to be mutually agreed by the Manager, the Trustee and the Property Manager.

The Property Manager's fees will be paid in the form of cash and is payable monthly, in arrears.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes ("CIS") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

These financial statements, which are expressed in Singapore Dollars and rounded to the nearest thousand, have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with RAP 7 requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The area involving a higher degree of judgment, where assumptions and estimates are significant to the financial statements, is disclosed in Note 12 – Investment properties and investment properties under development. The assumptions and estimates were used by the independent valuer in arriving at their valuations.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and MIT and had no material effect on the amounts reported for the current or prior financial years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented net of goods and services tax ("GST"), rebates and discounts.

Revenue is recognised as follows:

(a) Rental income and service charges from operating leases

Rental income and service charges (net of any incentives given to the lessees) from operating leases on the investment properties are recognised on a straight-line basis over the lease term.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Government grants

Grants from government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.4 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property expenses are Property Manager's fees which are based on the applicable formula stipulated in Note 1(D).

(b) Manager's management fees

Manager's management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(B).

2.5 Income tax

Taxation on the return for the year comprises current and deferred income tax. Income tax is recognised in the Statements of Total Return.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising from investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Income tax (continued)

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in Statements of Total Return, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MIT for the income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of MIT, the Trustee will not be taxed on the portion of taxable income of MIT that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of MIT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

Although MIT is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from the distributions of such taxable income of MIT (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. The Trustee and the Manager will not deduct tax from the distributions made out of MIT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- A Singapore branch of a foreign company; and
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the gains without tax being deducted at source.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in MIT's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in the Statements of Total Return.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in Note 2.7.

(b) Transactions with non-controlling interests

Changes in MIT's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the Unitholders of MIT.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses (Note 2.13) in MIT's Statement of Financial Position. On disposal of investments in subsidiaries, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in the Statement of Total Return.

2.8 Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables include "cash and cash equivalents" (Note 9), "trade and other receivables" (Note 10) and "other current assets" except for "prepayments" (Note 11) in the Statements of Financial Position.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method.

The Group assesses at each statement of financial position date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the Statements of Total Return.

The impairment allowance is reduced through the Statements of Total Return in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.9 Borrowing costs

Borrowing costs are recognised in the Statements of Total Return using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the properties under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Investment properties and properties under development

Investment properties are properties that are held for long-term rental yields and/or for capital appreciation. Investment properties under development includes property that is being constructed or developed for future use as an investment property.

Investment properties are accounted for as non-current assets and are initially recognised at cost including transaction costs and borrowing costs and subsequently carried at fair value. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuer at least once a year, on the highest-and best-use basis in accordance with the CIS. Changes in fair values are recognised in the Statements of Total Return.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investment properties and properties under development (continued)

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations, improvements and initial direct costs incurred in negotiating and arranging operating leases are capitalised and the carrying amounts of the replaced components are written off to the Statements of Total Return. The costs of maintenance, repairs and minor improvements are charged to the Statements of Total Return when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the Statements of Total Return.

2.11 Cash and cash equivalents

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.12 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful life
Plant and equipment	3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the Statements of Total Return when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in the Statements of Total Return when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount recognised in the Statements of Total Return.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets

Plant and equipment

Investments in subsidiaries

Plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the Statements of Total Return.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount or if there is a change in the events that had given rise to the impairment since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the Statements of Total Return, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in the Statements of Total Return.

2.14 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statements of Total Return over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the statement of financial position date are presented as current borrowings in the Statement of Financial Position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the statement of financial position date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the statement of financial position date are presented as non-current borrowings in the Statement of Financial Position.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either (a) fair value hedge; or (b) cash flow hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the Statements of Total Return when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged instrument is more than 12 months and as a current asset or liability if the remaining expected life of the hedged instrument is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

(a) Fair value hedge

The Group has entered into fixed to floating interest rate swaps that are fair value hedges for the fair value exposures to interest rate movements of its borrowings (“hedged item”). The fair value changes on the hedged item resulting from the fair value risk are recognised in Statements of Total Return. The fair value changes on the effective portion of interest rate swaps designated as fair value hedges are recognised in Statements of Total Return within the same line item as the fair value changes from the hedged item. The fair value changes on the ineffective portion of interest rate swaps are recognised separately in Statements of Total Return.

(b) Cash flow hedge

The Group has entered into interest rate swaps that are cash flow hedges for the Group’s exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in the hedging reserve and transferred to the Statements of Total Return when the hedged interest expense on the borrowings is recognised in the Statements of Total Return. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the Statements of Total Return.

2.17 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.18 Provisions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases

(a) When the Group is a lessee:

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the Statements of Total Return on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) When the Group is a lessor:

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the Statements of Total Return on a straight-line basis over the lease term.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of MIT.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in the Statements of Total Return.

2.21 Units and unit issuance expenses

Proceeds from the issuance of Units in MIT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new Units are deducted directly from the net assets attributable to the Unitholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Distribution policy

MIT's distribution policy is to distribute at least 90% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income after deduction of allowable expenses and allowances, as well as interest income from the placement of periodic cash surpluses in bank deposits. Distributions, when paid, will be in Singapore Dollars.

3. GROSS REVENUE

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

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

4. PROPERTY OPERATING EXPENSES

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

All of the Group's and MIT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

5. BORROWING COSTS

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

6. OTHER TRUST EXPENSES

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

7. INCOME TAX

(a) Income tax expense

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

* Amount less than $1,000

The tax on total return before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

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

* Amount less than $1,000

(b) Current income tax liabilities

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

* Amount less than $1,000

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

8. EARNINGS PER UNIT

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

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year.

9. CASH AND CASH EQUIVALENTS

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

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

10. TRADE AND OTHER RECEIVABLES

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

* Amount less than $1,000

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

11. OTHER CURRENT ASSETS

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

12. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER DEVELOPMENT

(a) Investment properties and investment properties under development

	Group		MIT	
	Investment properties $'000	**Investment properties under development $'000**	**Investment properties $'000**	**Investment properties under development $'000**
31 March 2017				
Beginning of financial year	3,338,350	219,500	3,144,500	219,500
Additions during the year	22,399	98,165	22,399	98,165
Net transfers during the year	134,742	(134,742)	134,742	(134,742)
Net fair value gain	35,359	34,877	31,359	34,877
End of financial year	**3,530,850**	**217,800**	**3,333,000**	**217,800**
31 March 2016				
Beginning of financial year	3,267,150	157,000	3,073,700	157,000
Additions during the year	3,358	48,378	3,073	48,378
Net fair value gain	67,842	14,122	67,727	14,122
End of financial year	**3,338,350**	**219,500**	**3,144,500**	**219,500**

Details of the properties are shown in the Portfolio Statement.

Investment properties are leased to both related and non-related parties under operating leases [Note 21(c)].

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

Valuation processes of the Group

The Manager engages external, independent and qualified valuer to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use.

At every financial year end, the Manager:

- verifies all major inputs to the independent valuation reports,
- assesses property valuation movements when compared to the prior year valuation reports; and
- holds discussion with the independent valuer.

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

(b) Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

All properties within MIT and the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) Reconciliation of Level 3 fair value measurements

The reconciliation between the balances at the beginning of the financial year is disclosed within the investment properties and investment properties under development movement table presented in Note 12(a).

(d) Valuation techniques and key unobservable inputs

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and investment properties under development categorised under Level 3 of the fair value hierarchy:

Property segment	Valuation technique(s)	Key unobservable inputs(#)	Range of unobservable inputs
Flatted Factories	Income capitalisation	Capitalisation rate	From 6.50% to 7.25% (31 March 2016: From 6.50% to 7.25%)
	Discounted cash flow	Discount rate	8.00% (31 March 2016: 8.00%)
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	From 6.50% to 7.00% (31 March 2016: From 6.50% to 7.00%)
	Discounted cash flow	Discount rate	8.00% (31 March 2016: 8.00%)
	Residual land value	Gross development value	The same capitalisation rate and discount rate as disclosed for this property segment have been applied in determining the gross development value.
Business Park Buildings	Income capitalisation	Capitalisation rate	6.00% (31 March 2016: 6.00%)
	Discounted cash flow	Discount rate	8.00% (31 March 2016: 8.00%)
Stack-up/ Ramp-up Buildings	Income capitalisation	Capitalisation rate	7.00% (31 March 2016: 7.00%)
	Discounted cash flow	Discount rate	8.00 % (31 March 2016: 8.00%)
Light Industrial Buildings	Income capitalisation	Capitalisation rate	6.50% to 6.75% (31 March 2016: From 6.50% to 6.75%)
	Discounted cash flow	Discount rate	8.00% (31 March 2016: 8.00%)

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

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

(d) Valuation techniques and key unobservable inputs (continued)

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net property income is the estimated annual net rental income of the building at current rate after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

- Discounted cash flow – Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Residual land value – Investment properties under development is valued, as a starting point using the Income Capitalisation method and Discounted Cash Flow method to derive the fair value of the property as if the development was already completed at statement of financial position date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the properties under development.

Equal weightage was applied to the Income Capitalisation method and Discounted Cash Flow method to derive at the valuation of investment properties. Where applicable, Direct Sale Comparison method was used as a check.

Significant reductions in the capitalisation rate and/or discount rate in isolation would result in a significantly higher fair value of the investment properties and investment properties under development.

The significant unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Capitalisation rate corresponds to a rate of return on investment properties based on the expected income that the property will generate.

The Manager is of the view that the valuation methods and estimates are reflective of the current market condition.

13. PLANT AND EQUIPMENT

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

14. INVESTMENTS IN SUBSIDIARIES

	MIT	
	31 March 2017	31 March 2016
	$'000	$'000
Equity investments at cost		
Beginning and end of financial year	*****	*

* Amount less than $1,000

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of business/ incorporation	Equity interest held by MIT and the Group	
			31 March 2017	31 March 2016
			%	%
Mapletree Singapore Industrial Trust**	Property investment	Singapore	**100**	100
Mapletree Industrial Trust Treasury Company Pte. Ltd**	Provision of treasury services	Singapore	**100**	100

** Audited by PricewaterhouseCoopers LLP, Singapore

There are no significant restrictions on any of the Group's subsidiaries.

15. LOAN TO A SUBSIDIARY

MIT has extended an interest-free loan to one of its subsidiaries, MSIT, amounting to $179,794,000 (31 March 2016: $179,794,000). This loan has no fixed terms of repayment and is intended to be a long-term source of additional funding for the subsidiary. Settlement of this loan is neither planned nor likely to occur in the foreseeable future.

As a result, the Manager considers this loan to be in substance part of the MIT's net investment in MSIT and has accounted for this loan in accordance with Note 2.7.

16. TRADE AND OTHER PAYABLES

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

17. Borrowings and loans from a subsidiary

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

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

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(a) Maturity of borrowings

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

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

(b) Weighted average interest rates

The weighted average all-in interest rates of total borrowings, including interest rate swaps as at the statement of financial position date were as follows:

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

(c) Medium term notes

In March 2012, the Group established a $1,000,000,000 Multicurrency Medium Term Note Programme ("MTN Programme"), via a subsidiary, MITTC. Under the MTN Programme, MITTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series in Singapore Dollars or any other currency ("MTN").

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN Programme.

The MTN shall constitute direct, unconditional, unsecured and unsubordinated obligations of MITTC ranking *pari passu*, without any preference or priority among themselves and *pari passu* with all other present and future unsecured obligations of MITTC. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MIT.

Total notes outstanding as at 31 March 2017 under the MTN Programme is $405.0 million (31 March 2016: $305.0 million), consisting of:

(i) $125.0 million (31 March 2016: $125.0 million) Fixed Rate Notes due 2019. The MTN will mature on 8 March 2019 and bears an interest of 3.75% per annum payable semi-annually in arrears;

(ii) $45.0 million (31 March 2016: $45.0 million) Fixed Rate Notes due 2022. The MTN will mature on 7 September 2022 and bears an interest of 3.65% per annum payable semi-annually in arrears;

(iii) $75.0 million (31 March 2016: $75.0 million) Fixed Rate Notes due 2023. The MTN will mature on 11 May 2023 and bears an interest of 3.02% per annum payable semi-annually in arrears;

(iv) $60.0 million (31 March 2016: $60.0 million) Fixed Rate Notes due 2026. The MTN will mature on 2 March 2026 and bears an interest of 3.79% per annum payable semi-annually in arrears; and

(v) $100.0 million (31 March 2016: $ nil) Fixed Rate Notes due 2024. The MTN will mature on 28 March 2024 and bears an interest of 3.16% per annum payable semi-annually in arrears.

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(d) Loans from a subsidiary

MITTC has on-lent the proceeds from the issuance of the above MTN to MIT, who has in turn used these proceeds to refinance its borrowings.

These loans are unsecured and repayable in full; consisting of:

(i) $125.0 million (31 March 2016: $125.0 million) maturing on 8 March 2019 and bears an interest of 3.75% per annum payable semi-annually in arrears;

(ii) $45.0 million (31 March 2016: $45.0 million) maturing on 7 September 2022 and bears an interest of 3.65% per annum payable semi-annually in arrears;

(iii) $75.0 million (31 March 2016: $75.0 million) maturing on 11 May 2023 and bears an interest of 3.02% per annum payable semi-annually in arrears;

(iv) $60.0 million (31 March 2016: $60.0 million) maturing on 2 March 2026 and bears an interest of 3.79% per annum payable semi-annually in arrears; and

(v) $100.0 million (31 March 2016: $ nil) maturing on 28 March 2024 and bears an interest of 3.16% per annum payable semi-annually in arrears.

(e) Carrying amount and fair value

The carrying amounts of the borrowings approximate their fair values, except for the following fixed-rate non-current borrowings:

	Carrying amounts		**Fair values**	
	31 March 2017 $'000	31 March 2016 $'000	**31 March 2017 $'000**	31 March 2016 $'000
Group				
Bank loans (non-current)	**100,000**	100,000	**100,054**	100,312
Medium term notes (non-current)	**405,000**	305,000	**414,481**	311,689
MIT				
Bank loans (non-current)	**100,000**	100,000	**100,054**	100,312
Loans from a subsidiary	**405,000**	305,000	**414,481**	311,689

The fair values above are determined from the cash flow analysis, discounted at the following market borrowing rates of an equivalent instrument at the statement of financial position date at which the Manager expects to be available to the Group:

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

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

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (CONTINUED)

(f) Interest rate risks

The exposure of the borrowings of the Group and MIT to interest rate changes and the contractual repricing dates at the statement of financial position dates after taking into account interest rate swaps as follows:

	Group and MIT	
	31 March 2017	31 March 2016
	$'000	$'000
6 months or less	**277,880**	122,362

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

18. DERIVATIVE FINANCIAL INSTRUMENTS

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

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

Fair value gains and losses on these interest rate swaps recognised in the hedging reserve are transferred to the Statements of Total Return as part of interest expense over the period of the borrowings.

19. HEDGING RESERVE

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

Hedging reserve is non-distributable.

20. UNITS IN ISSUE

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

(a) During the financial year, MIT issued 1,228,669 (FY15/16: 1,331,766) new Units at the issue prices ranging from $1.5938 to $1.7472 (FY15/16: $1.4935 to $1.5475) per unit, as part payment of the base management fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for a unit for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period in which the management fees accrues.

(b) MIT introduced and implemented a DRP on 22 January 2013 whereby the Unitholders have the option to receive their distribution in units instead of cash or a combination of units and cash. On 26 January 2016, MIT announced the suspension of the DRP after the distribution for the period from 1 October 2015 to 31 December 2015.

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

20. UNITS IN ISSUE (CONTINUED)

Each unit in MIT represents an undivided interest in MIT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MIT by receiving a share of all net cash proceeds derived from the realisation of the assets of MIT less any liabilities, in accordance with their proportionate interests in MIT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MIT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the issued units of MIT) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MIT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MIT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MIT exceed its assets.

21. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the statement of financial position date but not recognised in the financial statements are as follows:

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

(b) Operating lease commitments – where the Group is a lessee

The Group leases land from non-related parties under non-cancellable operating lease agreements. The future minimum lease payables under such non-cancellable operating leases contracted for at the statement of financial position date but not recognised as liabilities, are as follows:

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

The operating leases are subjected to revision of land rents at periodic intervals. For the purpose of the above disclosure, the prevailing land rent rates are used.

21. COMMITMENTS (CONTINUED)

(c) Operating lease commitments – where the Group is a lessor

The Group and MIT lease out investment properties to related and non-related parties under non-cancellable operating leases. The future minimum lease receivables under such non-cancellable operating leases contracted for at the statement of financial position date but not recognised as receivables, are analysed as follows:

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

22. FINANCIAL RISK MANAGEMENT

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

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as written policies covering specific areas, such as interest rate risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk – cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group is exposed to interest rate risk on borrowings. The Group manages the risk by maintaining an appropriate mix of fixed and floating rate interest-bearing liabilities. This is achieved using fixed rate borrowings and interest rate swaps.

Sensitivity analysis

The Group and MIT's borrowings at variable rates on which effective hedges have not been entered into are denominated in SGD. As at 31 March 2017, if the SGD interest rates increase/decrease by 0.50% (31 March 2016: 0.50%) with all other variables including tax rate being held constant, the Group's total return would have been lower/higher by $1,389,000 (31 March 2016: $612,000) and the hedging reserve attributable to Unitholders would have been higher/lower by $5,307,000 (31 March 2016: $4,789,000).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and MIT are cash and bank deposits and trade receivables. Cash and short-term bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with counterparties of acceptable credit quality.

(i) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. Bank deposits that are neither past due nor impaired are mainly deposits with banks with acceptable credit-ratings assigned by international credit rating agencies.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

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

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

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

The Manager believes that no additional allowance is necessary in respect of the remaining trade receivables as these receivables are mainly from tenants with good records with sufficient security in the form of bankers' guarantees, insurance bonds, or cash security deposits as collaterals.

(c) Liquidity risk

The Group and MIT adopt prudent liquidity risk management by maintaining sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The table below analyses the maturity profile of the non-derivative financial liabilities of the Group and MIT based on contractual undiscounted cash flows prospectively for the next 5 years. Where it relates to a variable amount payable, the amount is determined by taking reference to the last contracted rate.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

Group

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2017			
Trade and other payables	**101,627**	**45,604**	**539**
Borrowings	**115,000**	**712,880**	**280,000**
Accrued interest and interest payable	**31,469**	**67,442**	**18,489**
	248,096	**825,926**	**299,028**
At 31 March 2016			
Trade and other payables	72,006	52,992	1,542
Borrowings	47,362	695,000	280,000
Accrued interest and interest payable	35,338	77,576	20,028
	154,706	825,568	301,570

MIT

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2017			
Trade and other payables	**97,539**	**45,322**	**401**
Borrowings	**115,000**	**587,880**	**–**
Loans from a subsidiary	**–**	**125,000**	**280,000**
Accrued interest and interest payable	**31,469**	**67,442**	**18,489**
	244,008	**825,644**	**298,890**
At 31 March 2016			
Trade and other payables	69,533	52,045	1,406
Borrowings	47,362	570,000	100,000
Loans from a subsidiary	–	125,000	180,000
Accrued interest and interest payable	35,338	77,576	20,028
	152,233	824,621	301,434

The table below analyses the Group's and MIT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	Group and MIT		
	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000
At 31 March 2017			
Net-settled interest rate swaps – fair value and cash flow hedges – Net cash outflows/(inflows)	**3,776**	**4,481**	**(943)**
At 31 March 2016			
Net-settled interest rate swaps – fair value and cash flow hedges – Net cash (inflows)/outflows	(1,907)	1,908	(851)

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS to fund future acquisitions and asset enhancement works. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45% of its Deposited Property.

The Group has an aggregate leverage ratio of 29.2% (31 March 2016: 28.2%) at the statement of financial position date.

The Group and MIT are in compliance with the borrowing limit requirements imposed by the CIS and all externally imposed capital requirements for the financial years ended 31 March 2017 and 31 March 2016.

(e) Fair value measurements

FRS 107 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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

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

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

The carrying amount of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The carrying value of borrowings approximate its fair value except for fixed rate non-current borrowings as disclosed in Note 17(e).

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 18 except for the following:

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

23. IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes under FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014), the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd. The immediate, intermediate and ultimate holding companies are Mapletree Dextra Pte Ltd, Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The immediate, intermediate and ultimate holding companies are incorporated in Singapore.

24. RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place at terms agreed between the parties as follows:

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

25. FINANCIAL RATIOS

	Group	
	FY16/17	FY15/16
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fee	**1.19%**	1.21%
– excluding performance component of asset management fee	**0.82%**	0.84%
Portfolio Turnover Ratio[2]	**–**	–

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs and income tax expense.

[2] In accordance with the formulae stated in the CIS, the ratio reflects the number of times per year that a dollar of assets is reinvested. The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

26. SEGMENT INFORMATION

The operating segments have been determined based on the reports reviewed by the Chief Executive Officer, Chief Financial Officer and Head of Asset Management in making strategic decisions.

The Manager considers the business from a business segment perspective; managing and monitoring the business based on property types.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income. Interest income and borrowing costs are not allocated to segments, as the treasury activities are centrally managed by the Group. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment.

26. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2017 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	161,195	73,690	53,485	44,389	7,806	340,565
Net property income	122,439	55,878	37,955	35,704	4,854	256,830
Interest income						390
Borrowing costs						(27,325)
Manager's management fees						(27,699)
Trustee's fees						(521)
Other trust expenses						(1,340)
Net income						200,335
Net fair value gain on investment properties and investment properties under development	(5,551)	71,487	1,304	2,996	–	70,236
Total return for the year before income tax						**270,571**
Income tax expense						(*)
Total return for the year after income tax before distribution						**270,571**
Segment assets						
– Investment properties	1,553,500	859,450	566,800	454,900	96,200	3,530,850**
– Investment properties under development	–	217,800	–	–	–	217,800**
– Trade receivables	517	329	13	91	321	1,271
						3,749,921
Unallocated assets						
– Cash and cash equivalents						37,985
– Other receivables						8,950
– Other current assets						1,202
– Plant and equipment						3
Consolidated total assets						**3,798,061**
Segment liabilities	41,958	12,413	10,900	11,312	2,320	78,903
Unallocated liabilities						
– Trade and other payables						75,985
– Borrowings						1,106,411
– Derivative financial instruments						3,973
– Current income tax liabilities						*
Consolidated total liabilities						**1,265,272**

* Amount less than $1,000

** Include net fair value gain on properties of S$70.2 million and additions of S$120.6 million during the year.

26. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Manager for the reportable segments for year ended 31 March 2016 is as follows:

	Flatted Factories $'000	Hi-Tech Buildings $'000	Business Park Buildings $'000	Stack-up/ Ramp-up Buildings $'000	Light Industrial Buildings $'000	Total $'000
Gross revenue	161,660	65,844	51,729	44,218	8,147	331,598
Net property income	121,527	47,919	33,700	35,531	6,439	245,116
Interest income						282
Borrowing costs						(25,923)
Manager's management fees						(26,579)
Trustee's fees						(506)
Other trust expenses						(1,774)
Net income						190,616
Net fair value gain on investment properties and investment properties under development	32,313	31,842	11,694	6,015	100	81,964
Total return for the year before income tax						**272,580**
Income tax expense						(*)
Total return for the year after income tax before distribution						**272,580**
Segment assets						
– Investment properties	1,566,400	666,450	561,500	447,800	96,200	3,338,350**
– Investment properties under development	–	219,500	–	–	–	219,500**
– Trade receivables	616	350	25	541	–	1,532
						3,559,382
Unallocated assets						
– Cash and cash equivalents						54,340
– Other receivables						7,707
– Other current assets						1,631
– Derivative financial instruments						879
– Plant and equipment						2
Consolidated total assets						**3,623,941**
Segment liabilities	42,978	12,288	11,005	11,165	2,286	79,722
Unallocated liabilities						
– Trade and other payables						54,512
– Borrowings						1,021,162
– Derivative financial instruments						3,321
– Current income tax liabilities						*
Consolidated total liabilities						**1,158,717**

* Amount less than $1,000

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

27. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 or later periods and which the Group had not early adopted:

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

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

  The Group will apply the standard from 1 April 2017.

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

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

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

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

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

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

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

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

- **FRS 116 *Leases*** (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

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

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

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

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

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

28. EVENTS OCCURRING AFTER STATEMENT OF FINANCIAL POSITION DATE

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

29. AUTHORISATION OF THE FINANCIAL STATEMENTS

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

STATISTICS OF **UNITHOLDINGS**

As at 31 May 2017

ISSUED AND FULLY PAID UNITS

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

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

DISTRIBUTION OF UNITHOLDINGS

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

LOCATION OF UNITHOLDERS

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

TWENTY LARGEST UNITHOLDERS

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

STATISTICS OF **UNITHOLDINGS**

As at 31 May 2017

SUBSTANTIAL UNITHOLDERS AS AT 31 MAY 2017

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

Notes:

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

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

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

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

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

FREE FLOAT

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

INTERESTED
PERSON TRANSACTIONS

For the financial year ended 31 March 2017

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

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

Footnote:

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

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

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

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

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

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

NOTICE OF
ANNUAL GENERAL MEETING

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

(A) AS ORDINARY BUSINESS

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

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

(B) AS SPECIAL BUSINESS

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

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

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

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

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

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

provided that:

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

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

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

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

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

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

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

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

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

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

Wan Kwong Weng
Joint Company Secretary

Singapore
29 June 2017

Notes:

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

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

   "**Relevant Intermediary**" means:

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

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

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

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

Personal data privacy:

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

Explanatory Note:

Ordinary Resolution 3

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

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

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

MAPLETREE INDUSTRIAL TRUST

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

IMPORTANT

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

Personal data privacy

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

PROXY FORM

7TH ANNUAL GENERAL MEETING

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

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

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

and/or (delete as appropriate)

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

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

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

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

Dated this ______________ day of ________________ 2017

Total number of Units held

____

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

Glue all sides firmly.

Glue all sides firmly.

1st fold (this flap is for sealing)

Do not staple. Glue all sides firmly.

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

2nd fold

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

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

   "**Relevant Intermediary**" means:

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

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

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

MAPLETREE INDUSTRIAL TRUST MANAGEMENT LTD.
As Manager of Mapletree Industrial Trust
(Company Registration Number: 201015667D)

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