FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the financial year ended 31 March 2021

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") in trust for the holders of units in MCT ("Unitholders"). In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Mapletree Commercial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed 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 MCT and the Group during the financial year covered by these financial statements, set out on pages 136 to 193, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore, 28 April 2021

STATEMENT BY THE MANAGER

For the financial year ended 31 March 2021

In the opinion of the directors of Mapletree Commercial Trust Management Ltd., the accompanying financial statements of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") as set out on pages 136 to 193, comprising the Statements of Financial Position and Portfolio Statement of MCT and the Group as at 31 March 2021, the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MCT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MCT and of the Group as at 31 March 2021 and the financial performance, amount distributable and movements of Unitholders' funds of MCT and the Group and consolidated cash flows of the Group for the year then ended in accordance with Singapore Financial Reporting Standards (International) and relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MCT and the Group will be able to meet its financial obligations as and when they materialise.

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

Lim Hwee Li Sharon
Director

Singapore, 28 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

Report on Audit of the Financial Statements

OUR OPINION

In our opinion, the accompanying consolidated financial statements of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MCT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MCT as at 31 March 2021 and the consolidated financial performance of the Group and the financial performance of MCT, the consolidated amount distributable of the Group and the amount distributable of MCT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MCT, the consolidated portfolio holdings of the Group and portfolio holdings of MCT and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MCT and the Group comprise:

- the statements of profit or loss of the Group and MCT for the financial year ended 31 March 2021;
- the statements of comprehensive income of the Group and MCT for the financial year ended 31 March 2021;
- the statements of financial position of the Group and MCT as at 31 March 2021;
- the distribution statements of the Group and MCT for the financial year ended 31 March 2021;
- the consolidated statement of cash flows of the Group for the financial year ended 31 March 2021;
- the statements of movements in unitholders' funds for the Group and MCT for the financial year ended 31 March 2021;
- the portfolio statement for the Group and MCT for the financial year ended 31 March 2021; and
- the notes to the financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

OUR AUDIT APPROACH

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Note 13 - Investment properties As at 31 March 2021, the carrying value of the Group's investment properties of $8.74 billion accounted for 97.6% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include, capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The key inputs are disclosed in Note 13 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques and inputs used by the external valuers in determining the valuations of individual investment properties; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; • assessed the reasonableness of the capitalisation rates, discount rates and adjusted price per square feet by benchmarking these inputs against those of comparable properties and prior year inputs. Where the inputs and estimates were beyond the expected range, we performed procedures to understand the reasons and therefore the validity of these inputs and estimates; and • challenged the projected cash flows used against the current and historical lease rates. 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. The valuers are members of recognised bodies for professional valuers. The valuation techniques used were in line with generally accepted market practices and the key assumptions used were within the range used by valuers of similar investment properties.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises the 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 MCT's Annual Report 2020/21 ("Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 April 2021

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 March 2021

		Group		MCT	
	Note	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Gross revenue	3	**478,997**	482,825	**450,090**	454,557
Property operating expenses	4	**(101,987)**	(104,885)	**(86,259)**	(97,586)
Net property income		**377,010**	377,940	**363,831**	356,971
Finance income		**754**	813	**3,898**	786
Finance expenses	5	**(76,848)**	(78,787)	**(67,698)**	(71,852)
Manager's management fees					
– Base fees		**(22,458)**	(20,031)	**(18,546)**	(18,378)
– Performance fees		**(15,080)**	(15,117)	**(12,257)**	(13,908)
Trustee's fees		**(1,049)**	(952)	**(1,049)**	(952)
Other trust expenses	6	**(1,153)**	(1,345)	**(1,093)**	(1,260)
Foreign exchange gain/(loss)		**8,639**	(7,900)	**8,639**	(7,900)
Net change in fair value of financial derivative		**(8,786)**	8,885	**(8,786)**	8,885
Profit before tax and fair value change in investment properties		**261,029**	263,506	**266,939**	252,392
Net change in fair value of investment properties	7	**(192,420)**	279,591	**(173,459)**	303,866
Profit for the financial year before tax		**68,609**	543,097	**93,480**	556,258
Income tax expense	8(a)	**(3)**	(2)	**–**	–
Profit for the financial year after tax before distribution		**68,606**	543,095	**93,480**	556,258
Earnings per unit (cents)					
– Basic	9	**2.07**	17.74		
– Diluted	9	**2.07**	17.74		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

		Group		MCT	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
Profit for the financial year after tax before distribution		**68,606**	543,095	**93,480**	556,258
Other comprehensive income — items that may be reclassified subsequently to profit or loss					
Cash flow hedges					
– Fair value losses	22	**(8,949)**	(24,244)	**(4,976)**	(19,623)
– Reclassification to profit or loss	22	**14,376**	(389)	**11,218**	(333)
Total comprehensive income for the financial year		**74,033**	518,462	**99,722**	536,302

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

		Group		MCT	
		31 March		31 March	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**192,543**	65,857	**176,652**	46,280
Trade and other receivables	11	**7,631**	5,027	**7,813**	4,896
Tax recoverable	8(c)	**5,849**	1,850	**–**	–
Other current assets	12	**528**	526	**346**	376
		206,551	73,260	**184,811**	51,552
Non-current assets					
Investment properties	13	**8,737,000**	8,920,000	**7,202,000**	7,360,000
Plant and equipment	14	**266**	329	**223**	265
Investments in subsidiaries	15	**–**	–	**910,964**	910,964
Derivative financial instruments	16	**6,767**	13,482	**14,317**	18,159
		8,744,033	8,933,811	**8,127,504**	8,289,388
Total assets		**8,950,584**	9,007,071	**8,312,315**	8,340,940
LIABILITIES					
Current liabilities					
Derivative financial instruments	16	**2,390**	376	**2,390**	376
Trade and other payables	17	**114,047**	104,448	**97,192**	87,650
Borrowings	18	**70,000**	159,971	**–**	–
Loans from a subsidiary	18	**–**	–	**70,000**	159,971
		186,437	264,795	**169,582**	247,997
Non-current liabilities					
Derivative financial instruments	16	**17,573**	22,943	**19,631**	22,943
Other payables	17	**53,007**	59,362	**45,809**	52,306
Borrowings	18	**2,959,625**	2,848,049	**1,391,074**	1,200,933
Loans from a subsidiary	18	**–**	–	**933,764**	1,012,015
Deferred tax liabilities	19	**24,974**	24,974	**–**	–
		3,055,179	2,955,328	**2,390,278**	2,288,197
Total liabilities		**3,241,616**	3,220,123	**2,559,860**	2,536,194
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**5,708,968**	5,786,948	**5,752,455**	5,804,746
Represented by:					
Unitholders' funds		**5,708,968**	5,786,948	**5,752,455**	5,804,746
UNITS IN ISSUE ('000)	21	**3,316,204**	3,307,510	**3,316,204**	3,307,510
NET ASSET VALUE PER UNIT ($)		**1.72**	1.75	**1.73**	1.76

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

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2021

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Amount available for distribution to Unitholders at beginning of financial year	**66,109**	102,519	**53,489**	102,519
Profit for the financial year after tax before distribution	**68,606**	543,095	**93,480**	556,258
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**218,114**	(299,877)	**192,295**	(325,660)
Income available for distribution	**286,720**	243,218	**285,775**	230,598
Capital Distribution	**28,000**	–	**28,000**	–
Amount available for distribution for the year	**314,720**	243,218	**313,775**	230,598
Distribution to Unitholders:				
Distribution of 0.91 cent per unit for the period from 1 January 2020 to 31 March 2020	**(30,098)**	–	**(30,098)**	–
Distribution of 4.17 cents per unit for the period from 1 April 2020 to 30 September 2020	**(138,191)**	–	**(138,191)**	–
Distribution of 2.31 cents per unit for the period from 1 January 2019 to 31 March 2019	**–**	(66,752)	**–**	(66,752)
Distribution of 2.31 cents per unit for the period from 1 April 2019 to 30 June 2019	**–**	(66,864)	**–**	(66,864)
Distribution of 2.32 cents per unit for the period from 1 July 2019 to 30 September 2019	**–**	(67,179)	**–**	(67,179)
Distribution of 0.61 cent per unit for the period from 1 October 2019 to 24 October 2019	**–**	(17,663)	**–**	(17,663)
Distribution of 1.85 cents per unit for the period from 25 October 2019 to 31 December 2019	**–**	(61,170)	**–**	(61,170)
Total Unitholders' distribution (including capital distribution) (Note B)	**(168,289)**	(279,628)	**(168,289)**	(279,628)
Amount available for distribution to Unitholders at end of financial year	**212,540**	66,109	**198,975**	53,489

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

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2021

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Note A:				
Adjustment for net effect of non-tax chargeable items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
– Management fees paid/payable in units	**15,402**	16,143	**15,402**	16,143
– Trustee's fees	**1,049**	952	**1,049**	952
– Financing fees	**3,285**	2,787	**2,471**	2,455
– Net change in fair value of financial derivative	**8,786**	(8,885)	**8,786**	(8,885)
– Net change in fair value of investment properties	**192,420**	(279,591)	**173,459**	(303,866)
– Unrealised foreign exchange (gain)/loss	**(8,639)**	7,900	**(8,639)**	7,900
– Amortisation of rental incentives	**6,496**	1,097	**–**	–
Other non-tax deductible items and other adjustments	**(685)**	(40,280)	**(233)**	(40,359)
	218,114	(299,877)	**192,295**	(325,660)
Note B:				
– Taxable income distribution	**(150,063)**	(278,636)	**(150,063)**	(278,636)
– Capital distribution	**(18,226)**	(992)	**(18,226)**	(992)
	(168,289)	(279,628)	**(168,289)**	(279,628)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit for the financial year after tax before distribution		**68,606**	543,095
Adjustments for:			
– Income tax expense	8(a)	**3**	2
– Depreciation	14	**148**	70
– Impairment of trade receivables	24(c)	**163**	77
– Plant and equipment written off	14	**–**	17
– Unrealised foreign exchange (gain)/loss		**(8,639)**	7,900
– Net change in fair value of investment properties	7	**192,420**	(279,591)
– Net change in fair value of financial derivative		**8,786**	(8,885)
– Finance income		**(754)**	(813)
– Finance expenses	5	**76,848**	78,787
– Manager's management fees paid/payable in units		**15,402**	16,143
		352,983	356,802
Change in working capital:			
– Trade and other receivables		**(4,759)**	1,833
– Other current assets		**(2)**	(142)
– Trade and other payables		**11,215**	11,723
Cash generated from operations		**359,437**	370,216
– Income tax paid	8(c)	**(4,002)**	(*)
Net cash provided by operating activities		**355,435**	370,216
Cash flows from investing activities			
Additions to investment properties		**(14,332)**	(17,088)
Acquisition of interest in investment property - Note A		**–**	(887,741)
Additions to plant and equipment	14	**(85)**	(216)
Finance income received		**680**	806
Net cash used in investing activities		**(13,737)**	(904,239)
Cash flows from financing activities			
Proceeds from borrowings		**944,100**	2,276,500
Repayments of borrowings		**(754,400)**	(2,472,301)
Proceeds from issue of notes		**–**	250,000
Redemption of notes		**(160,000)**	(50,000)
Payments of financing fees		**(2,045)**	(5,814)
Payments of distribution to Unitholders		**(168,289)**	(279,628)
Finance expenses paid		**(74,378)**	(76,434)
Proceeds from issue of new units		**–**	918,557
Payments of transaction costs related to issuance of new units		**–**	(10,119)
Net cash (used in)/generated from financing activities		**(215,012)**	550,761
Net increase in cash and cash equivalents		**126,686**	16,738
Cash and cash equivalents			
Beginning of financial year		**65,857**	49,119
End of financial year	10	**192,543**	65,857

* Amount is less than $1,000

Note A - This relates to the purchase consideration paid on the adjusted net asset value (net of cash and cash equivalents acquired) of Mapletree Business City Pte Ltd ("MBC PL") and the related transaction costs. The amount excludes the acquisition fee paid to the Manager by way of issuance of units.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

Reconciliation of liabilities arising from financing activities

	Borrowings and interest payable	
	2021	2020
	$'000	$'000
Beginning of financial year	**3,020,608**	2,359,337
Proceeds from borrowings	**944,100**	2,276,500
Repayments of borrowings	**(754,400)**	(2,472,301)
Asset acquisition	**–**	653,229
Proceeds from issue of notes	**–**	250,000
Redemption of notes	**(160,000)**	(50,000)
Finance expenses paid	**(74,378)**	(76,434)
Payments of financing fees	**(2,045)**	(5,814)
Change in working capital:		
– Trade and other receivables	**–**	(598)
– Trade and other payables	**–**	2
Non-cash changes:		
– Finance expenses	**76,848**	78,787
– Unrealised foreign exchange (gain)/loss	**(8,639)**	7,900
End of financial year	**3,042,094**	3,020,608

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2021

		Group		MCT	
		2021	2020	**2021**	2020
	Note	**$'000**	$'000	**$'000**	$'000
OPERATIONS					
Balance at beginning of financial year		**1,867,403**	1,603,936	**1,880,524**	1,603,894
Profit for the financial year		**68,606**	543,095	**93,480**	556,258
Distributions to Unitholders		**(168,289)**	(279,628)	**(168,289)**	(279,628)
Balance at end of financial year		**1,767,720**	1,867,403	**1,805,715**	1,880,524
UNITHOLDERS' CONTRIBUTION					
Balance at beginning of financial year		**3,942,864**	3,010,729	**3,942,864**	3,010,729
Movement during the financial year					
– Manager's management fees paid in units		**16,276**	15,947	**16,276**	15,947
– Manager's acquisition fee paid in units		**–**	7,750	**–**	7,750
– Issue of new units pursuant to private placement		**–**	458,036	**–**	458,036
– Issue of new units pursuant to preferential offering		**–**	460,521	**–**	460,521
– Issue costs		**–**	(10,119)	**–**	(10,119)
Balance at end of financial year		**3,959,140**	3,942,864	**3,959,140**	3,942,864
HEDGING RESERVE					
Balance at beginning of financial year		**(23,319)**	1,314	**(18,642)**	1,314
Fair value losses	22	**(8,949)**	(24,244)	**(4,976)**	(19,623)
Reclassification to profit or loss	5	**14,376**	(389)	**11,218**	(333)
Balance at end of financial year	22	**(17,892)**	(23,319)	**(12,400)**	(18,642)
Total Unitholders' funds at end of financial year		**5,708,968**	5,786,948	**5,752,455**	5,804,746

PORTFOLIO STATEMENT

As at 31 March 2021

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MCT					
VivoCity	N.A[2]	Leasehold	99 years	75 years	1 HarbourFront Walk VivoCity Singapore
Mapletree Business City I ("MBC I")	25 August 2016[3]	Leasehold[3]	99 years	75 years	10, 20, 30 Pasir Panjang Road Singapore
mTower (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[4]	Leasehold	99 years	75 years	460 Alexandra Road mTower Singapore
Mapletree Anson	4 February 2013[4]	Leasehold	99 years	85 years	60 Anson Road Mapletree Anson Singapore
Bank of America Merrill Lynch HarbourFront ("MLHF")	27 April 2011[4]	Leasehold	99 years	75 years	2 HarbourFront Place Bank of America Merrill Lynch HarbourFront Singapore
Sub-Total – MCT					
Investment property held under Mapletree Business City LLP ("MBC LLP")					
Mapletree Business City II ("MBC II")	1 November 2019[3]	Leasehold[3]	99 years	75 years	Part 20, 40, 50, 60, 70, 80 Pasir Panjang Road Singapore
Sub-Total – MBC LLP					
Gross revenue/Investment properties - Group					
Other assets and liabilities (net) – Group					
Net assets attributable to Unitholders – Group					

Notes:

1 Refers to the leasehold tenure of the land.

2 VivoCity was owned and developed by MCT prior to Listing Date.

3 MBC I was acquired from MBC PL on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte Ltd ("HRPL") on 1 November 2019. Mapletree Business City ("MBC") comprises MBC I and MBC II. MBC is on a single leasehold land title, with MBC I on strata lease from 25 August 2016 to 29 September 2096.

4 mTower (former PSA Building), Mapletree Anson and MLHF were acquired from HRPL, Mapletree Anson Pte. Ltd. and HarbourFront Place Pte. Ltd. respectively, which are direct and indirect wholly-owned subsidiaries of Mapletree Investments Pte Ltd.

Investment properties comprise a portfolio of commercial buildings that are leased to related and non-related parties under operating leases.

The carrying amounts of the investment properties were based on independent valuations as at 31 March 2021 and 31 March 2020 conducted by Savills Valuation and Professional Services (S) Pte. Ltd. ("Savills") for VivoCity and CBRE Pte. Ltd. ("CBRE") for MBC, mTower, Mapletree Anson and MLHF. Savills and CBRE have appropriate professional qualifications and experience in the location and category of the properties being valued. As at 31 March 2021 and 31 March 2020, the valuations of the investment properties were based on the income capitalisation method, discounted cash flow method and direct comparison method where applicable.

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

Gross revenue for the financial year ended 31/03/2021 $'000	Gross revenue for the financial year ended 31/03/2020 $'000	**Occupancy rate as at 31/03/2021 %**	Occupancy rate as at 31/03/2020 %	**At valuation as at 31/03/2021 $'000**	At valuation as at 31/03/2020 $'000	**Percentage of total net assets attributable to Unitholders as at 31/03/2021 %**	Percentage of total net assets attributable to Unitholders as at 31/03/2020 %
169,323	210,401	**97.1**	99.6	**3,148,000**	3,262,000	**55.1**	56.4
128,803	132,914	**90.2**	96.4	**2,226,000**	2,198,000	**39.0**	37.9
40,219	50,141	**75.5**	88.1	**742,000**	791,000	**13.0**	13.7
34,506	31,807	**100.0**	97.8	**747,000**	762,000	**13.1**	13.1
19,845	20,025	**100.0**	100.0	**339,000**	347,000	**5.9**	6.0
392,696	445,288			**7,202,000**	7,360,000	**126.1**	127.1
86,301	37,537	**100.0**	99.4	**1,535,000**	1,560,000	**26.9**	27.0
86,301	37,537			**1,535,000**	1,560,000	**26.9**	27.0
478,997	482,825			**8,737,000**	8,920,000	**153.0**	154.1
				(3,028,032)	(3,133,052)	**(53.0)**	(54.1)
				5,708,968	5,786,948	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

1. GENERAL

Mapletree Commercial Trust ("MCT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the trust deed dated 25 August 2005 (as amended) (the "Trust Deed") between Mapletree Investments Pte Ltd and VivoCity Pte. Ltd.. The Trust Deed is governed by the laws of the Republic of Singapore.

Mapletree Commercial Trust Management Ltd. (the "Manager") replaced Mapletree Investments Pte Ltd as manager of MCT and DBS Trustee Limited (the "Trustee") replaced VivoCity Pte. Ltd. as trustee of MCT respectively on 4 April 2011.

MCT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 April 2011 ("Listing Date") and was approved for inclusion under the Central Provident Fund Investment Scheme.

The principal investment activity of MCT is to invest directly or indirectly, in a diversified portfolio of properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of its subsidiaries are set out in Note 15.

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

(a) Trustee's fees

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

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

(b) Manager's Management fees

Pursuant to the Trust Deed, the Manager is entitled to receive the following remuneration:

(i) a base fee not exceeding 0.25% per annum of the value of the Group'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 not exceeding 4.0% per annum of the Group's net property income ("NPI") or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager shall be paid in the form of cash and/or units. The base fees and performance fees paid in cash and/or units are paid quarterly and annually, in arrears respectively. The Manager has elected to receive 50% of its management fees in units and the balance in cash from MCT and 100% of its management fees in cash from MBC LLP from the date of acquisition, 1 November 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

1. GENERAL (continued)

(c) Acquisition and Divestment fees

The Manager is entitled to receive the following fees:

(i) an acquisition fee not exceeding 1.0% of the acquisition price of the real estate or real estate-related assets acquired directly or indirectly, through one or more special purpose vehicles ("SPVs") of MCT, pro-rated if applicable to the proportion of MCT's interest. For the purpose 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 the real estate or real estate-related assets disposed, pro-rated if applicable to the proportion of MCT's interest. For the purpose of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate.

The acquisition and divestment fees shall be paid in the form of cash and/or units and are payable as soon as practicable after completion of the respective acquisition or disposal.

(d) Fees under the Property Management Agreement

(i) Property management fees

The Trustee will pay Mapletree Commercial Property Management Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), the following fees:

- 2.0% per annum of Gross Revenue for the relevant property;
- 2.0% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period); and
- 0.5% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period for the relevant property) in lieu of leasing commissions otherwise payable to the Property Manager and/or third party agents.

The property management fees are payable to the Property Manager monthly in arrears and in the form of cash.

(ii) Project management fees

The Trustee will pay the Property Manager, for each development or redevelopment of a property located in Singapore, a project management fee subject to:

- a limit of up to 3.0% of the total construction costs; and
- an opinion issued by an independent quantity surveyor, to be appointed by the Trustee upon recommendation by the Manager, that the project management fee is within market norms and reasonable range.

The project management fee is payable to the Property Manager in the form of cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Monetary Authority of Singapore ("MAS") has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes (the "CIS Code") to prepare its financial statements in accordance with Singapore Financial Reporting Standards ("SFRS").

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the CIS Code issued by MAS and the provisions of the Trust Deed.

These financial statements, which are expressed in Singapore Dollars ("$" or "SGD") and rounded to the nearest thousand, unless otherwise stated, have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the Manager to exercise its judgement, and make estimates and assumptions in the process of applying the Group's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The area involving a higher degree of judgement, where estimates and assumptions are significant to the financial statements is disclosed in Note 13 – Investment properties. Those assumptions and estimates were used by the independent valuers in arriving at their valuations.

Interpretations and amendments to published standards effective in 2020

On 1 April 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") as below that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

Interest Rate Benchmark Reform

In accordance with the transition provisions, the Group has adopted the amendments to SFRS(I) 9 and SFRS(I) 7 effective 1 April 2020 retrospectively to hedging relationships that existed at the start of the financial year or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date.

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by inter-bank offered rate (IBOR) reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from interest rate benchmark reform are no longer present.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The Group has applied the following reliefs that were introduced by the amendments made to SFRS(I) 9 Financial Instruments:

- when considering the 'highly probable' requirement, the Group has assumed that the interest rates on which the Group's hedged debt is based does not change as a result of IBOR reform;
- in assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the interest rates on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

2.2 Revenue recognition

(a) Rental income and service charges from operating leases

The Group classifies the leases of its investment properties as operating leases as the Group retains substantially all risks and rewards incidental to ownership.

Rental income and service charges from operating leases are recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Contingent rents, which include gross turnover rental, are recognised as income in profit or loss when earned and the amount can be measured reliably.

Any changes in the scope or the consideration for a lease that was not part of the original terms and conditions of the lease (for example, rent concessions given which were not contemplated as part of the original terms and conditions of the lease) are accounted for as lease modifications.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on a either a straight-line basis or another systematic basis over the remaining lease term.

(b) Car parking income

Car parking income from the operation of car parks is recognised over time upon utilisation of car parking facilities by tenants and visitors.

(c) Finance income

Finance income is recognised on a time proportion basis using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive the payment is established, if it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Government grants

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

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

2.4 Expenses

(a) *Trustee's fees*

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

(b) *Manager's management fees*

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

(c) *Property operating expenses*

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

2.5 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method, except for those costs that are directly attributable to the construction or development of properties.

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

No such borrowing costs on construction or development of properties have been incurred during the current and prior financial year.

2.6 Income taxes

Current income tax for current and prior periods are 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 balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Income taxes (continued)

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

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

Deferred income tax assets and liabilities are 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MCT for the income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax rulings which include a distribution of at least 90% of the taxable income of MCT, the Trustee will not be taxed on the portion of taxable income of MCT 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 MCT 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 MCT 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 MCT (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 MCT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A Singapore branch of a company incorporated outside Singapore;
- A body of persons (excluding companies or partnerships) 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);
- 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 (Cap. 145); or
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting

(a) Subsidiaries

(i) Consolidation

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

In preparing the consolidated financial statements of the Group, 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 MCT's subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisitions

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

The consideration transferred for the business 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 the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

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 identifiable net assets.

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

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies for the assets acquired and the liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to Unitholders' funds if required by SFRS(I).

Any retained equity 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 profit or loss.

Please refer to Note 2.12 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the financial statements of MCT.

(b) *Transactions with non-controlling interests*

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

2.8 Cash and cash equivalents

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

2.9 Non-derivative financial assets

(a) *Classification and measurement*

The Group classifies its non-derivative financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Financial assets at amortised cost

(i) *At initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

(ii) *At subsequent measurement*

Debt instruments include "cash and cash equivalents", "trade and other receivables" and deposits presented in "other current assets" in the Statements of Financial Position. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Non-derivative financial assets (continued)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.10 Investment properties

Investment properties for the Group are held for long-term rental yields and/or for capital appreciation.

Investment properties are accounted for as non-current assets and are initially recognised at cost and subsequently carried at fair value. The Trust Deed requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code. Changes in fair value are recognised in profit or loss.

Investment properties are subject to renovations or improvements from time to time. The costs of major renovations and improvements are capitalised while the carrying amounts of replaced components are recognised in profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to profit or loss.

If an investment property becomes substantially owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

For taxation purposes, MCT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 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 costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by 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 lives
Plant and equipment	2 – 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss for the financial year 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 profit or loss when incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.12 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in MCT's Statement of Financial Position. On disposal of the investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.13 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries are reviewed for impairment whenever there is any objective evidence or indication that this asset may be impaired.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and 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 had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

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

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). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method.

2.16 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. The Group does not hold or issue derivative financial instruments for trading purposes.

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.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 24(f). The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Derivative financial instruments and hedging activities (continued)

Cash flow hedge – Interest rate swaps

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

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

2.17 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.10.

Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.18 Fair value estimation of financial assets and liabilities

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

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques based on market conditions existing at each balance sheet date.

The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. The fair value of the cross currency interest rate swap is determined using quoted currency rates as at the balance sheet date.

2.19 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 SGD, which is the functional currency of MCT.

(b) *Transactions and balances*

Transactions in a currency other than functional currency ("foreign currency") are translated into 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 balance sheet date are recognised in profit or loss.

2.21 Financial guarantees

The Trustee has issued financial guarantees in relation to certain borrowings of MCT's subsidiaries. These guarantees are financial guarantees as they require MCT to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed in accordance with SFRS(I) 9.

2.22 Units and unit issuance expenses

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

2.23 Segment reporting

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

2.24 Distribution policy

MCT's distribution policy is to distribute at least 90.0% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income, interest income from the placement of periodic cash surpluses in bank deposits and after deducting allowable expenses and allowances, and of its tax-exempt income (if any). The actual level of distribution will be determined at the Manager's discretion, having regard to MCT's funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in SGD.

Following the amendments to Rule 705 of the SGX-ST Listing Manual effective from 7 February 2020, MCT has adopted the new half-yearly reporting framework with effect from 1 April 2020. Consequently, any distributions to Unitholders will be on a half-yearly basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. GROSS REVENUE

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Gross rental income (a)	**454,351**	455,766	**372,718**	421,924
Car parking income	**8,316**	11,409	**6,588**	9,078
Other operating income	**13,586**	18,394	**10,676**	17,000
Dividend income	**–**	–	**57,394**	9,269
	476,253	485,569	**447,376**	457,271
Government grant income (b)	**36,711**	–	**33,867**	–
Less: Government grant expense (b)	**(33,967)**	(2,744)	**(31,153)**	(2,714)
	478,997	482,825	**450,090**	454,557

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

(a) Gross rental income

The turnover rental for the financial year ended 31 March 2021 were $7,957,000 and $7,946,000 (2020: $11,103,000 and $11,096,000) for the Group and MCT respectively.

Rental rebates (on top of government support) of $42,513,000 and $41,329,000 (2020: $6,006,000 and $5,916,000) were provided to eligible tenants by the Group and MCT respectively.

(b) Government grant income/expense

Government grant income and corresponding expense have been recognised in relation to cash grant and property tax rebates received from the Singapore Government as part of the COVID-19 relief measures and corresponding disbursement to eligible tenants.

The Group and MCT has fully passed through cash grants and property tax rebates, as mandated by the government, in the form of rental rebates and rental waiver to eligible tenants.

For the financial year ended 31 March 2021, the government grant income relates to cash grant of $10,702,000 and $10,071,000 received by the Group and MCT respectively, and property tax rebates of $26,009,000 and $23,796,000 received by the Group and MCT respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. PROPERTY OPERATING EXPENSES

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Operation and maintenance	**20,722**	19,569	**17,157**	17,940
Utilities	**6,835**	8,002	**6,053**	7,598
Property tax (a)	**41,881**	40,619	**35,117**	37,532
Property management fees	**19,493**	19,595	**15,912**	18,050
Staff costs (b)	**9,531**	11,081	**8,831**	10,654
Marketing and professional expenses	**1,983**	4,644	**1,945**	4,586
Depreciation (Note 14)	**148**	70	**127**	62
Other operating expenses	**1,394**	1,305	**1,117**	1,164
	101,987	104,885	**86,259**	97,586

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

(a) Property tax

Included in property tax is a grant income of $1,603,000 and $1,487,000 in relation to the property tax rebates on non-tenanted and common areas of the investment properties of the Group (2020: $Nil) and MCT (2020: $Nil) respectively.

(b) Staff costs

The Group and MCT do not have any employee on its payroll because its daily operations and administrative functions are provided by the Manager and Property Manager. Staff costs relate to reimbursements paid/payable to the Property Manager in respect of agreed employee expenditure incurred by the Property Manager for providing its services as provided for in the Property Management Agreement.

The Jobs Support Scheme ("JSS") was introduced in the Budget 2020 and enhanced subsequently in the supplementary budgets to provide wage support to employers to help them retain their local employees. Included in the staff costs above, for the financial year ended 31 March 2021, staff cost recovery of $2,345,000 and $2,132,000 in relation to the JSS were received from the Property Manager for the Group and MCT (2020: $Nil) respectively.

5. FINANCE EXPENSES

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Interest expense				
– subsidiary	**–**	–	**30,440**	29,907
– non-related parties	**59,147**	76,333	**23,529**	39,767
	59,147	76,333	**53,969**	69,674
Derivative hedging instruments				
– Cash flow hedges, reclassified from hedging reserve (Note 22)	**14,376**	(389)	**11,218**	(333)
Financing fees	**3,325**	2,843	**2,511**	2,511
	76,848	78,787	**67,698**	71,852

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

6. OTHER TRUST EXPENSES

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Audit fee	**109**	114	**105**	96
Consultancy and professional fees	**279**	319	**244**	293
Valuation fees	**198**	74	**152**	56
Other trust expenses	**567**	838	**592**	815
	1,153	1,345	**1,093**	1,260

Included in other trust expenses of MCT was an amount of $12,000 (2020: $12,000) paid/payable to Mapletree Commercial Trust Treasury Company Pte. Ltd. ("MCTTC") in undertaking the treasury functions in relation to the Group's Medium Term Notes Programme ("MTN Programme").

7. NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Change in fair value of investment properties (Note 13)	**(196,850)**	295,239	**(171,393)**	303,866
Effects of recognising rental incentives on a straight-line basis over the lease terms	**4,430**	(15,648)	**(2,066)**	–
Net change in fair value of investment properties recognised in the profit or loss	**(192,420)**	279,591	**(173,459)**	303,866

8. INCOME TAXES

(a) Income tax expense

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Tax expense attributable to profit is made up of:				
Current income tax				
– Current financial year	**4**	2	**–**	–
– (Over)/Under provision in prior years	**(1)**	*	**–**	–
	3	2	**–**	–

* Amount is less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

8. INCOME TAXES (continued)

(b) Tax reconciliation

The tax on the results for the financial year differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Profit before tax	**68,609**	543,097	**93,480**	556,258
Tax calculated at a tax rate of 17% (2020: 17%)	**11,664**	92,326	**15,892**	94,564
Effects of:				
– Expenses not deductible for tax purposes	**37,726**	2,181	**34,346**	2,105
– Income not subject to tax due to tax transparency ruling (Note 2.6)	**(47,648)**	(48,390)	**(38,824)**	(46,431)
– Income not subject to tax	**(1,738)**	(46,115)	**(11,414)**	(50,238)
– (Over)/Under provision in prior years	**(1)**	*	**–**	–
	3	2	**–**	–

* Amount is less than $1,000

(c) Tax recoverable

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**1,850**	*	**–**	–
Acquisition of a subsidiary	**–**	1,852		
Income tax paid	**4,002**	*	**–**	–
Income tax expense	**(4)**	(2)	**–**	–
Over/(Under) provision in prior years	**1**	(*)	**–**	–
End of financial year	**5,849**	1,850	**–**	–

* Amount is less than $1,000

9. EARNINGS PER UNIT

	Group	
	2021	2020
Profit attributable to Unitholders of MCT ($'000)	**68,606**	543,095
Weighted average number of units outstanding during the financial year ('000)	**3,313,654**	3,062,010
Basic and diluted earnings per unit (Singapore cents)	**2.07**	17.74

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. CASH AND CASH EQUIVALENTS

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**34,043**	47,357	**21,652**	33,280
Short-term bank deposits	**158,500**	18,500	**155,000**	13,000
	192,543	65,857	**176,652**	46,280

Short-term bank deposits at the balance sheet date have a weighted average maturity of 1.6 months (31 March 2020: 1.1 months) from the end of the financial year. The effective interest rate at balance sheet date of the Group and MCT are both 0.3% (31 March 2020: 1.1% and 1.3% respectively) per annum.

11. TRADE AND OTHER RECEIVABLES

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade receivables:				
– related parties	**58**	91	**56**	91
– non-related parties	**5,644**	2,484	**5,049**	2,426
Trade receivables – net	**5,702**	2,575	**5,105**	2,517
Non-trade receivables due from subsidiaries	**–**	–	**56**	41
Interest receivable:				
– subsidiary	**–**	–	**919**	–
– non-related parties	**87**	13	**87**	11
Other receivables	**30**	–	**34**	44
Accrued revenue	**1,812**	2,439	**1,612**	2,283
	7,631	5,027	**7,813**	4,896

The non-trade and other receivables balances are unsecured, interest free and repayable on demand.

12. OTHER CURRENT ASSETS

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Deposits	**134**	161	**73**	94
Prepayments	**394**	365	**273**	282
	528	526	**346**	376

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. INVESTMENT PROPERTIES

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Completed investment properties				
Beginning of financial year	**8,920,000**	7,039,000	**7,360,000**	7,039,000
Additions	**13,850**	17,221	**13,393**	17,171
Acquisition	**–**	1,568,577	**–**	–
Adjustments to prior year accrued development costs	**–**	(37)	**–**	(37)
Change in fair value of investment properties (Note 7)	**(196,850)**	295,239	**(171,393)**	303,866
End of financial year	**8,737,000**	8,920,000	**7,202,000**	7,360,000

In November 2019, MCT acquired MBC II and the common premises located in MBC I for an agreed property value of $1,550,000,000 and incurred directly attributable acquisition costs of $18,577,000. Included in the directly attributable acquisition costs was an acquisition fee of $7,750,000 paid to the Manager through the issuance of 3,377,642 units, stamp duty, professional and other fees paid amounting to $10,827,000, of which $85,000 was paid to the auditor of MCT for the services rendered as the reporting accountant.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involved certain estimates.

Details of the investment properties are shown in the portfolio statement.

Investment properties are leased to both related and non-related parties under operating leases (Note 20(b)).

Fair value hierarchy

The table below presents the investment properties at fair value and classified by level of fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset that are not based on observable market data (unobservable inputs).

The fair value of the properties within the Group's and MCT's portfolio are classified within Level 3. The reconciliation between the balances at the beginning of the financial year and end of the financial year is disclosed in the investment properties movement table presented as part of this note.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. INVESTMENT PROPERTIES (continued)

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's and MCT's properties have been derived using the income capitalisation method, discounted cash flow method and direct comparison method where applicable.

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 income of the properties is the estimated current rate and potential future income from existing vacancies after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the property together with the prevailing property market condition.

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

- Direct comparison method – Properties are valued using transacted prices for comparable properties in the vicinity and other locations with adjustments made for differences in size, number of storeys, tenure, age, location, siting and building specifications.

The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market conditions.

The independent valuation reports have highlighted that with the heightened uncertainty of the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon their valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions.

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

Description	Fair value $'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Properties for leasing	**8,737,000** (31 March 2020: 8,920,000)	Income capitalisation	Capitalisation rate	**3.50% – 4.85%** (31 March 2020: 3.50% – 4.95%)
		Discounted cash flow	Discount rate	**6.50% – 7.25%** (31 March 2020: 6.50% - 7.25%)
		Direct comparison	Adjusted price per square feet	**$2,564** (31 March 2020: $2,503)

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.
- The higher the discount rate, the lower the fair value.
- The higher the adjusted price per square feet, the higher the fair value.

There were no significant inter-relationships between unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. PLANT AND EQUIPMENT

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cost				
Beginning of financial year	**537**	335	**465**	335
Additions	**85**	216	**85**	216
Acquisition	**–**	72	**–**	–
Written off	**–**	(86)	**–**	(86)
End of financial year	**622**	537	**550**	465
Accumulated depreciation				
Beginning of financial year	**208**	207	**200**	207
Depreciation charge	**148**	70	**127**	62
Written off	**–**	(69)	**–**	(69)
End of financial year	**356**	208	**327**	200
Net book value				
End of financial year	**266**	329	**223**	265

15. INVESTMENTS IN SUBSIDIARIES

	MCT	
	31 March	
	2021	2020
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**910,964**	*
Additions	**–**	910,964
End of financial year	**910,964**	910,964

* Amount is less than $1,000

On 26 September 2019, MCT acquired 100% of the equity interest in 80 Alexandra, a special purpose vehicle which has been incorporated for the purpose of the acquisition of MBC PL. In October 2019, MCT increased its investment in 80 Alexandra to $910,000.

On 1 November 2019, MCT and 80 Alexandra completed the acquisition of 100% of the equity interest in MBC PL from HRPL, a related company. MCT's cost of investment of $910,054,000 includes purchase consideration paid on the adjusted net asset value of MBC PL and the related transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. INVESTMENTS IN SUBSIDIARIES (continued)

Subsequent to the acquisition, MBC PL was converted into a limited liability partnership and is now known as MBC LLP. The principal activities of MBC LLP are those relating to that of property owner and development of properties for investments.

During the financial year ended 31 March 2020, fees of $85,000 were paid to the auditor of MCT relating to its role as reporting accountant for the acquisition of MBC PL were included in the additions to investments in subsidiaries.

The Group has the following subsidiaries as at 31 March 2021 and 31 March 2020:

Name of company	Principal activities	Country of business/ incorporation	Proportion of shares held by Group		Proportion of shares held by MCT	
			31 March		31 March	
			2021 %	2020 %	**2021 %**	2020 %
Mapletree Commercial Trust Treasury Company Pte. Ltd.[a]	Provision of treasury services	Singapore/ Singapore	**100**	100	**100**	100
80 Alexandra Pte. Ltd. [a]	Investment holding	Singapore/ Singapore	**100**	100	**100**	100
Mapletree Business City LLP [b]	Property development and investment	Singapore/ Singapore	**100**	100	**99.9**	99.9

[a] Audited by PricewaterhouseCoopers LLP, Singapore

[b] There is no statutory requirement for the financial statements of Mapletree Business City LLP to be audited.

There are no significant restrictions on the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group				
31 March 2021				
Hedge accounting cash-flow hedges:				
Interest rate swaps	September 2021 – December 2025	**1,295,000**	**2,071**	**(19,963)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**4,696**	**–**
Total		**1,395,000**	**6,767**	**(19,963)**
Represented by:				
Current portion			**–**	**(2,390)**
Non-current portion			**6,767**	**(17,573)**
			6,767	**(19,963)**
31 March 2020				
Hedge accounting cash-flow hedges:				
Interest rate swaps	May 2020 – December 2025	1,359,000	–	(23,319)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	13,482	–
Total		1,459,000	13,482	(23,319)
Represented by:				
Current portion			–	(376)
Non-current portion			13,482	(22,943)
			13,482	(23,319)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
MCT				
31 March 2021				
Hedge accounting cash-flow hedges:				
Interest rate swaps	September 2021 – March 2024	**745,000**	**14**	**(12,414)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**4,696**	**–**
Interest rate swaps[1]	August 2023 – December 2025	**550,000**	**9,607**	**(9,607)**
Total		**1,395,000**	**14,317**	**(22,021)**
Represented by:				
Current portion			**–**	**(2,390)**
Non-current portion			**14,317**	**(19,631)**
			14,317	**(22,021)**
31 March 2020				
Hedge accounting cash-flow hedges:				
Interest rate swaps	May 2020 – December 2025	1,109,000	–	(18,642)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	13,482	–
Interest rate swaps[1]	December 2023 – December 2025	250,000	4,677	(4,677)
Total		1,459,000	18,159	(23,319)
Represented by:				
Current portion			–	(376)
Non-current portion			18,159	(22,943)
			18,159	(23,319)

[1] Relates to the back-to-back interest rate swaps entered into to hedge against a subsidiary's borrowings. As at 31 March 2021, the notional amounts of these interest rate swaps were $550,000,000 (31 March 2020: $250,000,000), while the fair value of the derivative financial assets and liabilities arising from the interest rate swaps with the banks are $2,057,000 (31 March 2020: $Nil) and $7,549,000 (31 March 2020: $4,677,000) respectively. For the financial year ended 31 March 2021, MCT recorded related finance income of $3,158,000 (2020: finance expenses of $56,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps

Interest rate swaps are transacted to hedge variable interest payments on borrowings.

(i) If interest rate swaps are designated as cash flow hedges, fair value changes on the interest rate swaps recognised in the hedging reserve are reclassified to profit or loss as part of finance expense over the period of the borrowings.

(ii) If interest rate swaps are not designated as cash flow hedges, fair value changes on the interest rate swaps are recognised in profit or loss when the changes arise.

As at 31 March 2021, the interest rate swaps include a forward start interest rate swap contract for notional amount of $50,000,000 (31 March 2020: $50,000,000) that will mature in 2023 (31 March 2020: 2025), which the Group has entered into for the purposes of fixing the interest rate of the floating rate borrowings. The effective date for this forward start interest rate swap contract is April 2021 (2020: April 2020).

Cross currency interest rate swap

Cross currency interest rate swaps are transacted to hedge foreign currency interest rate risk arising from foreign denominated borrowings. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted.

As at 31 March 2021, the Group held a Japanese Yen ("JPY")/SGD cross currency interest rate swap to provide SGD variable rate funding. The cross currency interest rate swap matures on the same date as the borrowings. Fair value changes on the cross currency interest rate swap are recognised in profit or loss when the changes arise.

Hedging instruments used in the Group's hedging strategy were as follows:

		Carrying Amount			**Changes in fair value used for calculating hedge ineffectiveness**				
	Contract notional amount	**Assets**	**Liabilities**	**Financial statement line item**	**Hedging instruments**	**Hedged item**	**Hedge ineffectiveness recognised in profit or loss**	**Weighted average hedged rate**	**Maturity date**
	$'000	**$'000**	**$'000**		**$'000**	**$'000**	**$'000**		
Group									
31 March 2021									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,295,000**	**2,071**	**(19,963)**	**Derivative financial instruments**	**(8,949)**	**8,949**	**–**	**1.47%**	**September 2021 – December 2025**
31 March 2020									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,359,000	–	(23,319)	Derivative financial instruments	(24,244)	24,244	–	1.60%	May 2020 – December 2025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
MCT									
31 March 2021									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**745,000**	**14**	**(12,414)**	**Derivative financial instruments**	**(4,976)**	**4,976**	**–**	**1.76%**	**September 2021 – March 2024**
31 March 2020									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,109,000	–	(18,642)	Derivative financial instruments	(19,623)	19,623	–	1.64%	May 2020 – December 2025

17. TRADE AND OTHER PAYABLES

	Group		MCT	
	31 March		31 March	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Current				
Trade payables	**1,267**	1,078	**893**	555
Amounts due to related parties:				
– non-trade	**–**	56	**–**	56
Accrued capital expenditure	**3,640**	3,966	**3,218**	3,966
Accrued operating expenses	**41,609**	44,865	**35,906**	39,542
Interest payable				
– subsidiary	**–**	–	**6,075**	6,725
– non-related parties	**12,469**	12,588	**5,257**	4,117
Tenancy related deposits	**25,785**	17,136	**23,355**	14,391
Other deposits	**475**	224	**386**	204
Rental received in advance	**12,491**	12,228	**7,156**	7,188
Net Goods and Services Tax payable	**7,031**	6,335	**5,930**	5,220
Other payables	**9,280**	5,972	**9,016**	5,686
	114,047	104,448	**97,192**	87,650
Non-current				
Tenancy related deposits	**53,007**	59,362	**45,809**	52,306
	167,054	163,810	**143,001**	139,956

The non-trade payables due to related parties are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Borrowings				
Current				
Medium term notes	**70,000**	160,000	**–**	–
Transaction cost to be amortised	**(*)**	(29)	**–**	–
	70,000	159,971	**–**	–
Non-current				
Bank loans	**2,032,900**	1,843,200	**1,394,900**	1,204,200
Medium term notes	**935,714**	1,014,353	**–**	–
Transaction cost to be amortised	**(8,989)**	(9,504)	**(3,826)**	(3,267)
	2,959,625	2,848,049	**1,391,074**	1,200,933
Loans from a subsidiary				
Current				
Loans from a subsidiary	**–**	–	**70,000**	160,000
Transaction cost to be amortised	**–**	–	**(*)**	(29)
	–	–	**70,000**	159,971
Non-current				
Loans from a subsidiary	**–**	–	**935,714**	1,014,353
Transaction cost to be amortised	**–**	–	**(1,950)**	(2,338)
	–	–	**933,764**	1,012,015
	3,029,625	3,008,020	**2,394,838**	2,372,919

* Amount is less than $1,000

The above bank loans and borrowings are unsecured. In accordance with the various facility agreements, VivoCity, MBC I, MBC II and Mapletree Anson (31 March 2020: VivoCity, MBC I, MBC II and Mapletree Anson) are subject to a negative pledge.

As at 31 March 2021, the Trustee has provided guarantees amounting to $638,000,000 (31 March 2020: $639,000,000) to the bank in respect to bank loans outstanding in a subsidiary.

(a) Maturity of borrowings

Group

The non-current bank loans mature between 2022 and 2026 (31 March 2020: 2021 and 2026). The non-current medium term notes will mature between 2023 and 2029 (31 March 2020: 2021 and 2029).

MCT

The non-current bank loans mature between 2022 and 2026 (31 March 2020: 2021 and 2025). The non-current loans from a subsidiary will mature between 2023 and 2029 (31 March 2020: 2021 and 2029).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes

In 2012, the Group established a $1,000,000,000 MTN Programme via its subsidiary, MCTTC. The Programme limit has been increased to $3,000,000,000 with effect from 29 June 2018. Under the MTN Programme, MCTTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes and senior or subordinated perpetual securities in series or tranches in SGD or any other currency.

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating, variable or hybrid rates of interest or may not bear interest.

The notes shall constitute at all times direct, unconditional, unsecured and unsubordinated obligations of MCTTC ranking pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations of MCTTC. All sums payable in respect of the notes issued by MCTTC will be unconditionally and irrevocably guaranteed by the Trustee.

Total notes outstanding as at 31 March 2021 under the MTN Programme was $1,005,714,000 (31 March 2020: $1,174,353,000), consisting of:

	Maturity date	Interest rate per annum	Interest payment in arrears	31 March 2021 '000	31 March 2020 '000
(i)	24 August 2020	3.60%	Semi-annually	–	$160,000
(ii)	12 April 2021[1]	3.20%	Semi-annually	**$70,000**	$70,000
(iii)	3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(iv)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(v)	15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(vi)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(vii)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(viii)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(ix)	16 March 2023[2]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

1 The $70,000,000 notes maturing on 12 April 2021 have been fully redeemed on the maturity date.

2 A cross currency interest rate swap has been entered into to hedge the JPY 8,700,000,000 (2020: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (31 March 2020: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(c) Loans from a subsidiary

MCTTC has on-lent the proceeds from the issuance of the notes to MCT, which has in turn used these proceeds to re-finance its floating rate borrowings.

The loans are unsecured and repayable in full, consisting of:

	Maturity date	Interest rate per annum	Interest payment in arrears	31 March 2021 '000	31 March 2020 '000
(i)	24 August 2020	3.60%	Semi-annually	–	$160,000
(ii)	12 April 2021[1]	3.20%	Semi-annually	**$70,000**	$70,000
(iii)	3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(iv)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(v)	15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(vi)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(vii)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(viii)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(ix)	16 March 2023[2]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] The $70,000,000 notes maturing on 12 April 2021 have been fully redeemed on the maturity date.

[2] A cross currency interest rate swap has been entered into to hedge the JPY 8,700,000,000 (2020: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (31 March 2020: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears.

(d) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the outstanding loans as at 31 March 2020 and 2021 were as follows:

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
Bank loans	**2.15%**	2.64%	**2.21%**	2.70%
Medium term notes	**2.97%**	3.08%	**–**	–
Loans from a subsidiary	**–**	–	**2.97%**	3.08%

(e) As at 31 March 2021, the Group and MCT have variable rate borrowings amounting to $673,900,000 and $585,900,000 respectively maturing on or after 30 June 2023 which interest rates are based on SOR.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(f) Carrying amount and fair value

The carrying amounts of the current and non-current borrowings, which are at variable market rates, approximate their fair values at balance sheet date.

The carrying amounts of the fixed rate current borrowings approximate their fair values at balance sheet date. The carrying amount and fair value of the fixed rate non-current borrowings are as follow:

	Carrying amount		Fair value	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Group				
Medium term notes (non-current)	**830,000**	900,000	**871,640**	891,492
MCT				
Loans from a subsidiary (non-current)	**830,000**	900,000	**871,640**	891,492

The fair value above is determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date at which the Manager expects to be available to the Group and MCT as follows:

	31 March	
	2021	2020
Group		
Medium term notes (non-current)	**1.16% – 2.47%**	2.32% – 3.42%
MCT		
Loans from a subsidiary (non-current)	**1.16% – 2.47%**	2.32% – 3.42%

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

(g) Undrawn committed borrowing facilities

	Group and MCT	
	31 March	
	2021	2020
	$'000	$'000
Expiring beyond one year	**426,100**	255,100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

19. DEFERRED TAX LIABILITIES

	Group	
	31 March	
	2021	2020
	$'000	$'000
Beginning of financial year	**24,974**	–
Acquisition of a subsidiary	**–**	24,974
End of financial year	**24,974**	24,974

The deferred tax liabilities arose entirely due to accelerated tax depreciation.

20. LEASES

(a) The Group and MCT as a lessee

Leasehold land

The right-of-use of leasehold land is secured during acquisition of investment properties and is recognised within Investment properties (Note 13).

There are no externally imposed covenants on these lease arrangements.

(b) The Group and MCT as a lessor

The Group has leased out their owned investment properties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees or deposits for the term of the lease. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred. As part of its asset and lease management strategy, the Manager proactively engages tenants for negotiations well ahead of lease expiries to mitigate leasing risk and achieve a well-staggered lease expiry profile. The Group also actively manages its property portfolio and reviews its tenant mix in order to achieve portfolio diversification and stability.

Rental income from investment properties is disclosed in Note 3.

Undiscounted lease payments from the operating leases to be received after the balance sheet date are as below:

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Less than one year	**450,884**	487,374	**375,895**	398,677
One to two years	**339,693**	364,978	**300,573**	294,748
Later than two to three years	**237,073**	242,378	**207,744**	209,521
Later than three to four years	**137,404**	152,945	**131,179**	129,966
Later than four to five years	**91,223**	92,225	**89,143**	89,813
Later than five years	**111,391**	168,843	**111,391**	168,843
Total undiscounted lease payments	**1,367,668**	1,508,743	**1,215,925**	1,291,568

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purpose of the above disclosure, the prevailing lease rentals are used.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

21. UNITS IN ISSUE

	Note	Group and MCT 2021 '000	2020 '000
Units at beginning of financial year		**3,307,510**	2,889,690
Units issued as settlement of Manager's management fees	(a)	**8,694**	7,959
Units issued as settlement of Manager's acquisition fee	(b)	**–**	3,378
Units issued pursuant to private placement	(c)	**–**	200,893
Units issued pursuant to preferential offering	(d)	**–**	205,590
Units at end of financial year		**3,316,204**	3,307,510

(a) During the financial year, 8,693,494 new units (31 March 2020: 7,959,350) were issued at the issue price range of $1.7686 to $2.1007 (31 March 2020: $1.8687 to $2.3339) per unit, in respect of the payment of management fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period on which the fees were accrued. These issuances represent non-cash transactions.

(b) During the financial year ended 31 March 2020, 3,377,642 new units were issued at the price of $2.2945 per unit, amounting to $7,750,000, as payment of the Manager's acquisition fee arising from the acquisition of subsidiaries during the financial year. The issuance represents a non-cash transaction.

(c) During the financial year ended 31 March 2020, 200,893,000 new units were issued at the issue price of $2.28 per unit, amounting to $458,036,000 for cash, as part of the private placement undertaken by MCT.

(d) During the financial year ended 31 March 2020, 205,589,840 new units were issued at the issue price of $2.24 per unit, amounting to $460,521,000 for cash, as part of the preferential offering undertaken by MCT, where unitholders were entitled to subscribe for 71 new units for every 1,000 existing units held.

The proceeds raised from the private placement and preferential offering were used to fund the acquisition of subsidiaries and the related acquisition costs during the financial year ended 31 March 2020.

Each unit in MCT represents an undivided interest in MCT. 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 MCT by receiving a share of all net cash proceeds derived from the realisation of the assets of MCT less any liabilities, in accordance with their proportionate interests in MCT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MCT 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 total units issued) 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 MCT 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 MCT. 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 MCT exceed its assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. HEDGING RESERVE

	Group		MCT	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(23,319)**	1,314	**(18,642)**	1,314
Fair value losses	**(8,949)**	(24,244)	**(4,976)**	(19,623)
Reclassification to profit or loss				
– Finance expenses (Note 5)	**14,376**	(389)	**11,218**	(333)
End of financial year	**(17,892)**	(23,319)	**(12,400)**	(18,642)

Hedging reserve is non-distributable.

23. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements amounted to $10,956,000 (31 March 2020: $16,153,000).

24. FINANCIAL RISK MANAGEMENT

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

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as policies covering specific areas, such as interest rate risk, currency 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 monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings and medium term notes. The Group has SOR and JPY LIBOR rate borrowings which will be affected by the IBOR reform (Note 18). The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps. The interest rate swaps and cross currency interest rate swap have reference rates that are indexed to SOR or LIBOR, which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s Master Agreement.

On 5 March 2021, the Financial Conduct Authority formally announced the dates for the cessation of all LIBOR benchmark settings currently published by the ICE Benchmark Administration. Accordingly, the JPY LIBOR will cease on 31 December 2021.

The Group is actively engaging with its lenders and derivative counterparties to include appropriate fall-back provisions in its floating rate liabilities and derivatives contracts with maturities after 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates after excluding borrowings for which hedge accounting is applied are as follow:

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
6 months or less:				
Revolving credit facilities	**43,900**	34,200	**25,900**	15,200
Term loans	**744,000**	500,000	**674,000**	130,000
Medium term notes	**100,000**	100,000	**–**	–
Loans from a subsidiary	**–**	–	**100,000**	100,000
	887,900	634,200	**799,900**	245,200

During the financial year, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

(i) Interest rate swaps, with notional contract amounts of $1,245,000,000 (31 March 2020: $1,359,000,000) whereby it receives variable rates equal to the Singapore swap offer rate on the notional amounts and pays fixed interest rates ranging from 0.36% to 2.18% (31 March 2020: 1.24% to 2.18%) per annum.

(ii) Cross currency interest rate swap, with a notional contract amount of $100,000,000 (31 March 2020: $100,000,000) whereby it receives a variable rate of JPY LIBOR + 0.3% (31 March 2020: JPY LIBOR + 0.3%) per annum on the notional amount and pays a variable rate of Singapore swap offer rate + 1.08% (31 March 2020: Singapore swap offer rate + 1.08%) per annum.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. There is uncertainty about when and how replacement may occur with respect to the relevant hedge items and hedging instruments and such uncertainty may impact the hedging relationship. The contractual notional amount of interest rate swaps held for hedging which is based on SOR is $1,295,000,000. The Group applied the amendments to SFRS(I) 9 to those hedging relationships directly affected by IBOR reform.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

Sensitivity analysis

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated in SGD. If the SGD interest rates increase/(decrease) by 50 basis points ("b.p.") (2020: 50 b.p.) with all other variables including tax rate being held constant, the profit after tax and hedging reserve attributable to Unitholders will (decrease)/increase by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swap respectively:

	Increase/(Decrease)			
	Profit after tax		Hedging Reserve	
	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000
Group				
31 March 2021				
Interest bearing borrowings	**(4,440)**	**4,440**	**–**	**–**
Interest rate swaps	**–**	**–**	**14,084**	**(14,281)**
Cross currency interest rate swap	**(18)**	**18**	**–**	**–**
	(4,458)	**4,458**	**14,084**	**(14,281)**
31 March 2020				
Interest bearing borrowings	(3,171)	3,171	–	–
Interest rate swaps	–	–	14,253	(14,402)
Cross currency interest rate swap	7	(7)	–	–
	(3,164)	3,164	14,253	(14,402)
MCT				
31 March 2021				
Interest bearing borrowings	**(4,000)**	**4,000**	**–**	**–**
Interest rate swaps	**–**	**–**	**5,012**	**(5,043)**
Cross currency interest rate swap	**(18)**	**18**	**–**	**–**
	(4,018)	**4,018**	**5,012**	**(5,043)**
31 March 2020				
Interest bearing borrowings	(1,226)	1,226	–	–
Interest rate swaps	–	–	8,971	(9,043)
Cross currency interest rate swap	7	(7)	–	–
	(1,219)	1,219	8,971	(9,043)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk

The Group is exposed to foreign currency risk on interest bearing borrowings that are denominated in a currency other than the functional currency of the entities within the Group. The Group hedges this risk by entering into a cross currency interest rate swap with notional contract amount of JPY8,700,000,000 into SGD amounting to $100,000,000. The cross currency interest rate swap matures on the same date that the JPY medium term notes are due for repayment.

(c) Credit risk

Credit risk refers to the risk that tenants or counterparties of the Group will default on its contractual obligations resulting in a financial loss to the Group. The major classes of financial assets of the Group and MCT are cash and cash equivalents and trade receivables. Cash and bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group's credit risk policy is to deal only 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 high credit quality counterparties.

As at 31 March 2021 and 31 March 2020, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position, except for the guarantees provided by the Trustee in relation to certain borrowings of MCT's subsidiaries (Note 18) amounting $1,638,000,000 (31 March 2020: $1,799,000,000).

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of macro-economic conditions. In computing the expected credit loss rate, the Group has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The loss allowance for trade receivables as at 31 March 2021 and 31 March 2020 was assessed as not material.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Group considers a financial asset as impaired (net of security deposits and bankers' guarantee) when the counterparty fails to make payments in accordance with the contractual terms of agreement. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. When recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The ageing of trade receivables at the balance sheet date was:

	Gross Carrying Amount $'000	Loss Allowance $'000
Group		
31 March 2021		
Past due 3 months or less	**5,017**	**(80)**
Past due over 3 months	**765**	**–**
	5,782	**(80)**
31 March 2020		
Past due 3 months or less	2,414	(9)
Past due over 3 months	70	(68)
	2,484	(77)
MCT		
31 March 2021		
Past due 3 months or less	**4,989**	**(80)**
Past due over 3 months	**196**	**–**
	5,185	**(80)**
31 March 2020		
Past due 3 months or less	2,356	(9)
Past due over 3 months	70	(68)
	2,426	(77)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses are as follow:

	Group and MCT	
	2021 $'000	2020 $'000
Expected credit loss allowance		
Beginning of financial year	**77**	–
Allowance made	**163**	77
Allowance utilised	**(160)**	–
End of financial year	**80**	77

Cash and cash equivalents

The Group and MCT held cash and cash equivalents of $192,543,000 and $176,652,000 respectively (31 March 2020: $65,857,000 and $46,280,000). The Group and MCT considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

Financial guarantee contracts

The Trustee has issued financial guarantees in relation to certain borrowings of MCT's subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. MCT has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(d) Liquidity risk

The Group and MCT adopt prudent liquidity risk management by maintaining sufficient cash to fund their working capital and financial obligations.

The following table analyses non-derivative financial liabilities of the Group and MCT into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date (including extension periods where applicable). The amounts disclosed in the table are the contractual undiscounted cash flows of non-derivative financial liabilities, including interest payments. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group			
As at 31 March 2021			
Trade and other payables	**82,056**	**47,933**	**5,074**
Borrowings	**123,622**	**2,053,306**	**1,117,427**
	205,678	**2,101,239**	**1,122,501**
As at 31 March 2020			
Trade and other payables	85,885	52,689	6,673
Borrowings	233,320	1,930,928	1,176,693
	319,205	1,983,617	1,183,366
MCT			
As at 31 March 2021			
Trade and other payables	**72,774**	**40,770**	**5,039**
Borrowings	**18,934**	**1,063,858**	**383,100**
Loans from a subsidiary	**97,021**	**493,307**	**562,768**
	188,729	**1,597,935**	**950,907**
As at 31 March 2020			
Trade and other payables	75,242	45,779	6,526
Borrowings	27,761	1,198,992	50,747
Loans from a subsidiary	190,444	572,422	575,359
	293,447	1,817,193	632,632

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's and MCT'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 balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group and MCT			
As at 31 March 2021			
Net-settled interest rate swaps			
– Net cash outflows	**13,960**	**16,499**	**–**
Gross-settled cross currency interest rate swap			
– Cash inflows	**(230)**	**(105,934)**	**–**
– Cash outflows	**1,390**	**101,329**	**–**
	15,120	**11,894**	**–**
As at 31 March 2020			
Net-settled interest rate swaps			
– Net cash outflows	5,345	11,263	224
Gross-settled cross currency interest rate swap			
– Cash inflows	(242)	(106,926)	–
– Cash outflows	1,642	103,213	–
	6,745	7,550	224

(e) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% (2020: 45.0%) of its Deposited Property. As at the balance sheet date, the Group has a corporate family rating of Baa1 Negative (31 March 2020: Baa1 Stable) by Moody's Investors Service.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk (continued)

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2021 and 31 March 2020.

	Group	
	31 March	
	2021	2020
	$'000	$'000
Total gross borrowings[1]	**3,032,900**	3,003,200
Total deposited property	**8,950,584**	9,007,071
Aggregate leverage ratio	**33.9%**	33.3%

[1] Reflects total gross borrowings after taking into account the cross currency interest rate swap entered into to hedge the JPY8,700,000,000 (31 March 2020: JPY8,700,000,000) floating rate medium term notes.

There were no changes in the Group's approach to capital management during the financial year.

The Group is in compliance with the borrowing limit requirement imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2021 and 31 March 2020.

(f) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

	Group		Company	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Level 2				
Assets				
Derivative financial instruments				
– Interest rate swaps	**2,071**	–	**9,621**	4,677
– Cross currency interest rate swap	**4,696**	13,482	**4,696**	13,482
	6,767	13,482	**14,317**	18,159
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**(19,963)**	(23,319)	**(22,021)**	(23,319)
	(19,963)	(23,319)	**(22,021)**	(23,319)

The fair value of the derivative financial instruments not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date. The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. The fair value of the cross currency interest rate swap is determined using quoted currency rates as at the balance sheet date.

The carrying values of trade and other receivables, other current assets and trade and other payables (including non-current tenancy related deposits) 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 fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 18(f) to the financial statements.

(g) 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 16 to the financial statements, except for the following:

	Group		MCT	
	31 March		31 March	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**200,308**	71,045	**184,538**	51,270
Financial liabilities at amortised cost	**3,177,157**	3,153,268	**2,524,753**	2,500,466

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

25. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes in accordance with SFRS(I) 10 *Consolidated Financial Statements*, MCT is regarded as a subsidiary of Mapletree Investments Pte Ltd.

Consequentially, the intermediate and ultimate holding companies are Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The intermediate and ultimate holding companies are incorporated in Singapore.

26. SIGNIFICANT 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 those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2021	2020
	$'000	$'000
Acquisition of a subsidiary and repayment of shareholder loans to related companies of the Manager	**–**	1,549,842
Property operating expenses recovered/recoverable from and paid/payable to related party of the Manager[1]	**–**	1,296
Project management fees paid/payable to the Manager	**20**	*
Rental and other related income received/receivable from related parties	**15,898**	24,413
Capital expenditure paid/payable to a related party	**–**	20
Finance income received/receivable from a related company of the Manager	**4**	161
Other products and service fees paid/payable to related parties	**2,613**	3,128
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**15,746**	27,481

* Amount is less than $1,000

1 This amount reflects the costs relating to the provision of shared services to MBC I for contracts procured by MCT and MBC LLP respectively pursuant to the Shared Services Agreement for the provision of property maintenance services for MBC I for the period 1 April 2019 to 31 October 2019. The costs and expenses apportionment is based on agreed terms as set out in the Shared Services Agreement.

Following the acquisition of MBC LLP by MCT on 1 November 2019, the costs relating to the provision of shared services pursuant to the Shared Services Agreement ceased to be a related party transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. FINANCIAL RATIOS

	Group	
	2021	2020
	%	%
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fees	**0.70**	0.72
– excluding performance component of asset management fees	**0.43**	0.43
Ratio of total operating expenses to net asset value[2]	**2.48**	2.46
Portfolio Turnover Ratio[3]	**–**	–

[1] The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs, net foreign exchange differences and income tax expense.

[2] The ratio is computed based on the total operating expenses expressed as a percentage of net asset value as at the end of the financial year. The operating expenses include property operating expenses, manager's management fees, trustee's fee and other trust expenses amounting to $141,727,000 for the financial year ended 31 March 2021 (31 March 2020: $142,330,000).

[3] The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS Code. There were no sales of investment properties for the financial years ended 31 March 2021 and 31 March 2020.

28. SEGMENT REPORTING

For the purpose of making resource allocation decisions and the assessment of segment performance, MCT's management reviews internal/management reports of its investment properties.

MCT's management monitors and assesses the performance of the individual property within the Group's portfolio. This forms the basis of identifying the operating segments of the Group.

Segment revenue comprises mainly of income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the management for the purpose of assessment of segment performance. In addition, the management monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, trust expenses, finance income and finance expenses.

Information regarding the Group's reportable segments is presented in the following tables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. SEGMENT REPORTING (continued)

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

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	169,323	215,104	40,219	34,506	19,845	478,997
Property operating expenses	(43,682)	(37,296)	(10,791)	(6,602)	(3,616)	(101,987)
Segment net property income	125,641	177,808	29,428	27,904	16,229	377,010
Finance income						754
Finance expenses						(76,848)
Manager's management fees						(37,538)
Trustee's fees						(1,049)
Other trust expenses						(1,153)
Foreign exchange gain						8,639
Net change in fair value of financial derivatives						(8,786)
Profit before tax and fair value change in investment properties						261,029
Net change in fair value of investment properties	(121,586)	6,418	(53,362)	(15,349)	(8,541)	(192,420)
Profit for the financial year before tax						68,609
Income tax expense						(3)
Profit for the financial year after tax before distribution						68,606

Major tenant

There was a tenant (2020: Nil) that contributed more than 10% of the gross revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,148,000	3,761,000	742,000	747,000	339,000	8,737,000
– Plant and equipment	133	98	22	10	3	266
– Trade receivables	4,623	2,089	616	81	47	7,456
	3,152,756	3,763,187	742,638	747,091	339,050	8,744,722
Unallocated assets						
– Cash and cash equivalents						192,543
– Other receivables						175
– Tax recoverable						5,849
– Other current assets						528
– Derivative financial instruments						6,767
Total assets						8,950,584
Segment liabilities	48,728	28,142	10,728	7,046	588	95,232
Unallocated liabilities						
– Trade and other payables						71,822
– Borrowings						3,029,625
– Deferred tax liabilities						24,974
– Derivative financial instruments						19,963
Total liabilities						3,241,616
Other segmental information						
Additions to:						
– Investment properties	7,586	1,322	4,362	330	250	13,850
– Plant and equipment	61	9	12	–	3	85

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2020 is as follows:

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	210,401	170,451	50,141	31,807	20,025	482,825
Property operating expenses	(51,670)	(30,081)	(12,567)	(6,712)	(3,855)	(104,885)
Segment net property income	158,731	140,370	37,574	25,095	16,170	377,940
Finance income						813
Finance expenses						(78,787)
Manager's management fees						(35,148)
Trustee's fees						(952)
Other trust expenses						(1,345)
Foreign exchange loss						(7,900)
Net change in fair value of financial derivatives						8,885
Profit before tax and fair value change in investment properties						263,506
Net change in fair value of investment properties	48,948	154,922	25,605	33,694	16,422	279,591
Profit for the financial year before tax						543,097
Income tax expense						(2)
Profit for the financial year after tax before distribution						543,095

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,262,000	3,758,000	791,000	762,000	347,000	8,920,000
– Plant and equipment	145	137	19	28	–	329
– Trade receivables	2,771	1,040	338	427	441	5,017
	3,264,916	3,759,177	791,357	762,455	347,441	8,925,346
Unallocated assets						
– Cash and cash equivalents						65,857
– Other receivables						10
– Tax recoverable						1,850
– Other current assets						526
– Derivative financial instruments						13,482
Total assets						9,007,071
Segment liabilities	50,272	25,195	10,759	6,358	572	93,156
Unallocated liabilities						
– Trade and other payables						70,654
– Borrowings						3,008,020
– Deferred tax liabilities						24,974
– Derivative financial instruments						23,319
Total liabilities						3,220,123
Other segmental information						
Additions to:						
– Investment properties	13,077	852	2,408	306	578	17,221
– Plant and equipment	110	73	19	14	–	216

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Manager announced a distribution of 5.32 cents per unit for the period 1 October 2020 to 31 March 2021.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2021 and which the Group has not early adopted.

(a) Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

(b) Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 (effective for annual periods beginning on or after 1 January 2021)

The Phase 2 amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 are applicable for periods beginning on or after 1 January 2021 ("Phase 2 amendments"). The Phase 2 amendments provide further reliefs for hedge accounting as well as practical expedients for modifications of debt instruments with IBOR based terms.

The Group has SOR and JPY LIBOR rate borrowings which will be affected by the IBOR reform (Note 18).

On 5 March 2021, the Financial Conduct Authority formally announced the dates for the cessation of all LIBOR benchmark settings currently published by the ICE Benchmark Administration. Accordingly, the JPY LIBOR will cease on 31 December 2021.

Management is currently assessing the impact of the Phase 2 amendments on the Group.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 28 April 2021.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2021

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of interested person	Nature of relationship	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 unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mapletree Investments Pte Ltd and its related companies	**Mapletree Investments Pte Ltd:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Manager's management fees		37,538	–
– Lease related income		28,796	–
– Property and lease management fees		19,493	–
– Staff costs		9,531	–
– Operating related expenses		607	–
Temasek Holdings (Private) Limited and its related companies	**Temasek Holdings (Private) Limited:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Lease related income		11,162	–
– Operating related expenses		507	–
DBS Group Holdings Ltd and its related companies	**DBS Trustee Limited:** Trustee of MCT, its holding company and subsidiaries or associates		
– Trustee's fees		1,049	–

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2021

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 accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each), during the financial year under review.

Save as disclosed above, there were no material contracts entered into by MCT and its subsidiaries that involved the interests of the CEO or Director of the Manager, or any controlling unitholder of MCT, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

As set out in MCT's Prospectus dated 18 April 2011, fees and charges payable by MCT to the Manager and the Trustee under the Trust Deed (as amended) and to the Property Manager under the Property Management Agreement are not subject to Rules 905 and 906 of the SGX-ST's Listing Manual. Accordingly, such payments are not to be included in the aggregate value of total interested person transactions as governed by Rules 905 and 906 of the SGX-ST's Listing Manual.

MCT Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any interested person transactions for the financial year under review.

Please also see Significant Related Party Transactions on Note 26 in the financial statements.

MANAGER'S MANAGEMENT FEES PAID AND PAYABLE IN UNITS

A summary of Units issued and issuable for payment of the Manager's management fees during or in respect of the financial year are as follows:

For Period	Issue Date	Units Issued	Issue Price* (S$)
Manager's Base Management Fee			
1 April 2020 to 30 June 2020	5 August 2020	1,183,619	1.9919
1 July 2020 to 30 September 2020	4 November 2020	1,172,615	2.0010
1 October 2020 to 31 December 2020	9 February 2021	1,095,031	2.1007
1 January 2021 to 31 March 2021	10 May 2021	1,079,941	2.1007
Manager's Performance Fee			
1 April 2020 to 31 March 2021	10 May 2021	2,917,474	2.1007

* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

STATISTICS OF UNITHOLDINGS

As at 28 May 2021

ISSUED AND FULLY PAID UNITS

3,320,201,464 units (voting rights: one vote per unit)
Market Capitalisation: S$6,872,817,030.48 (based on closing price of S$2.070 per unit on 28 May 2021)

DISTRIBUTION OF UNITHOLDINGS

	No. of Unitholders	%	No. of Units	%
1 - 99	353	1.58	15,141	0.00
100 - 1,000	3,630	16.18	2,906,518	0.09
1,001 - 10,000	13,234	58.99	59,622,761	1.79
10,001 - 1,000,000	5,180	23.09	189,193,440	5.70
1,000,001 and above	36	0.16	3,068,463,604	92.42
Total	**22,433**	**100.00**	**3,320,201,464**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	21,973	97.95	3,312,622,284	99.77
Malaysia	285	1.27	4,238,091	0.13
Others	175	0.78	3,341,089	0.10
Total	**22,433**	**100.00**	**3,320,201,464**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1.	Citibank Nominees Singapore Pte Ltd	576,908,217	17.38
2.	DBS Nominees (Private) Limited	450,343,224	13.56
3.	HarbourFront Place Pte. Ltd.	442,846,329	13.34
4.	DBSN Services Pte. Ltd.	407,966,545	12.29
5.	HarbourFront Eight Pte Ltd	352,238,977	10.61
6.	HSBC (Singapore) Nominees Pte Ltd	273,013,451	8.22
7.	The HarbourFront Pte Ltd	137,699,999	4.15
8.	Raffles Nominees (Pte.) Limited	125,636,569	3.78
9.	Mapletree Commercial Trust Management Ltd.	100,654,081	3.03
10.	BPSS Nominees Singapore (Pte.) Ltd.	56,843,566	1.71
11.	Sienna Pte. Ltd.	47,201,893	1.42
12.	United Overseas Bank Nominees (Private) Limited	13,317,687	0.40
13.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,111,021	0.30
14.	DB Nominees (Singapore) Pte Ltd	8,607,965	0.26
15.	Phillip Securities Pte Ltd	5,684,959	0.17
16.	Societe Generale Singapore Branch	5,521,862	0.17
17.	DBS Vickers Securities (Singapore) Pte Ltd	5,448,737	0.16
18.	Toh Ting Feng (Zhuo Tingfeng) or Lim Bee Lian @ Low Ah Moy	5,222,500	0.16
19.	ABN AMRO Clearing Bank N.V.	4,696,370	0.14
20.	OCBC Nominees Singapore Private Limited	4,366,374	0.13
	Total	**3,034,330,326**	**91.38**

STATISTICS OF UNITHOLDINGS

As at 28 May 2021

SUBSTANTIAL UNITHOLDINGS AS AT 28 MAY 2021

No.	Name of Company	No. of Units		% of Total Issued Capital
		Direct Interest	Deemed Interest	
1.	Temasek Holdings (Private) Limited[1]	–	1,125,803,683	33.90
2.	Fullerton Management Pte Ltd[1]	–	1,080,641,279	32.54
3.	Mapletree Investments Pte Ltd[2]	–	1,080,641,279	32.54
4.	The HarbourFront Pte Ltd[3]	137,699,999	795,085,306	28.09
5.	HarbourFront Place Pte. Ltd.	442,846,329	–	13.33
6.	HarbourFront Eight Pte Ltd	352,238,977	–	10.60
7.	Schroders plc[4]	–	170,578,146	5.13

Notes:

1 Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 137,699,999 units held by The HarbourFront Pte Ltd ("**THFPL**"), 442,846,329 units held by HarbourFront Place Pte. Ltd. ("**HFPlace**"), 352,238,977 units held by HarbourFront Eight Pte Ltd ("**HF8**"), 47,201,893 units held by Sienna Pte. Ltd. ("**Sienna**") and 100,654,081 units held by Mapletree Commercial Trust Management Ltd. ("**MCTM**"). In addition, Temasek is deemed to be interested in the 45,162,404 units in which its other subsidiaries and associated companies have direct or deemed interests. THFPL, HFPlace, HF8, Sienna and MCTM are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton are involved in their business or operating decisions, including those regarding their unitholdings.

2 MIPL is deemed to be interested in the 137,699,999 units held by THFPL, 442,846,329 units held by HFPlace, 352,238,977 units held by HF8, 47,201,893 units held by Sienna and 100,654,081 units held by MCTM.

3 THFPL as holding company of HFPlace and HF8, is deemed to be interested in the 442,846,329 units held by HFPlace and 352,238,977 units held by HF8.

4 Schroders plc is deemed to be interested in the 170,578,146 units held on behalf of clients as Investment Managers.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2021

No.	Name	No. of Units	
		Direct Interest	Deemed Interest
1.	Tsang Yam Pui	–	426,043
2.	Kwa Kim Li	10,000	29,600
3.	Premod P. Thomas	–	–
4.	Kan Shik Lum	–	–
5.	Koh Cheng Chua	–	–
6.	Wu Long Peng	–	–
7.	Mak Keat Meng	–	–
8.	Alvin Tay	–	–
9.	Hiew Yoon Khong	612,751	4,476,380
10.	Wendy Koh	–	1,128,699
11.	Amy Ng	680,513	–
12.	Sharon Lim	–	20,200

FREE FLOAT

Based on the information made available to the Manager as at 28 May 2021, approximately 65.86% of the units in MCT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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