Financial Statements

Report of The Trustee

For the financial year ended 31 March 2018

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Commercial Trust ("MCT") and its subsidiary (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 period covered by these financial statements, set out on pages 113 to 165, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim
Director

Singapore, 24 April 2018

Statement by The Manager

For the financial year ended 31 March 2018

In the opinion of the directors of Mapletree Commercial Trust Management Ltd., the accompanying financial statements of Mapletree Commercial Trust (“MCT”) and its subsidiary (the “Group”) as set out on pages 113 to 165, comprising the Statements of Financial Position and Portfolio Statement of MCT and the Group as at 31 March 2018, the Statements of Total Return, 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 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 2018 and the total return, 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 the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that 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
Director

Singapore, 24 April 2018

Independent Auditor's Report to The Unitholders of Mapletree Commercial Trust

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

Our opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Commercial Trust ("MCT") and its subsidiary (the "Group") and the Statement of Total Return, 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 recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MCT as at 31 March 2018 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 total return of the Group and MCT for the financial year ended 31 March 2018;
- the statements of financial position of the Group and MCT as at 31 March 2018;
- the distribution statements of the Group and MCT for the financial year ended 31 March 2018;
- the consolidated statement of cash flows of the Group for the financial year ended 31 March 2018;
- the statements of movements in unitholders' funds for the Group and MCT for the financial year ended 31 March 2018;
- the portfolio statement for the Group and MCT for the financial year ended 31 March 2018; 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.

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.

Independent Auditor's Report to The Unitholders of Mapletree Commercial Trust

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Note 12 - Investment Properties As at 31 March 2018, the carrying value of the Group's investment properties of $6.68 billion accounted for 99.1% 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 key inputs are disclosed in Note 12 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 used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuer to be a member of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

Independent Auditor's Report to The Unitholders of Mapletree 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 Report to Unitholders 2018 ("Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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)

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.

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

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

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 April 2018

Statements of Total Return

For the financial year ended 31 March 2018

		Group		MCT	
		2018	2017	**2018**	2017
	Note	**$'000**	$'000	**$'000**	$'000
Gross revenue	3	**433,525**	377,747	**433,525**	377,747
Property operating expenses	4	**(94,680)**	(85,441)	**(94,680)**	(85,441)
Net property income		**338,845**	292,306	**338,845**	292,306
Finance income		**403**	463	**403**	463
Finance expenses	5	**(64,329)**	(54,168)	**(64,329)**	(54,168)
Manager's management fees					
- Base fees		**(16,087)**	(13,887)	**(16,087)**	(13,887)
- Performance fees		**(13,554)**	(11,692)	**(13,554)**	(11,692)
Trustee's fees		**(794)**	(706)	**(794)**	(706)
Other trust expenses	6	**(1,160)**	(1,445)	**(1,166)**	(1,451)
Foreign exchange gain/(loss)		**1,618**	(4,541)	**1,618**	(4,541)
Net income		**244,942**	206,330	**244,936**	206,324
Net change in fair value of financial derivatives		**(1,573)**	4,205	**(1,573)**	4,205
Net change in fair value of investment properties	12	**324,204**	135,305	**324,204**	135,305
Total return for the financial year before income tax		**567,573**	345,840	**567,567**	345,834
Income tax expense	7(a)	**(*)**	(*)	**-**	-
Total return for the financial year after income tax before distribution		**567,573**	345,840	**567,567**	345,834
Earnings per unit (cents)					
- Basic	8	**19.73**	13.32		
- Diluted	8	**19.73**	13.32		

* Amount is less than $1,000

Statements of Financial Position

As at 31 March 2018

		Group		MCT	
	Note	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**45,092**	53,907	**45,050**	53,874
Trade and other receivables	10	**2,946**	2,971	**2,946**	2,974
Other current assets	11	**418**	420	**418**	420
		48,456	57,298	**48,414**	57,268
Non-current assets					
Investment properties	12	**6,682,000**	6,337,000	**6,682,000**	6,337,000
Plant and equipment	13	**171**	161	**171**	161
Investment in subsidiary	14	**-**	-	*****	*
Derivative financial instruments	15	**10,186**	11,194	**10,186**	11,194
		6,692,357	6,348,355	**6,692,357**	6,348,355
Total assets		**6,740,813**	6,405,653	**6,740,771**	6,405,623
LIABILITIES					
Current liabilities					
Derivative financial instruments	15	**154**	388	**154**	388
Trade and other payables	16	**83,207**	71,458	**83,200**	71,457
Borrowings	17	**143,905**	-	**143,905**	-
Current income tax liabilities	7(c)	*****	*	**-**	-
		227,266	71,846	**227,259**	71,845
Non-current liabilities					
Derivative financial instruments	15	**1,483**	4,906	**1,483**	4,906
Other payables	16	**43,165**	41,694	**43,165**	41,694
Borrowings	17	**2,185,526**	2,329,754	**1,220,663**	1,583,079
Loans from a subsidiary	17	**-**	-	**964,863**	746,675
		2,230,174	2,376,354	**2,230,174**	2,376,354
Total liabilities		**2,457,440**	2,448,200	**2,457,433**	2,448,199
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**4,283,373**	3,957,453	**4,283,338**	3,957,424
Represented by:					
Unitholders' funds		**4,283,373**	3,957,453	**4,283,338**	3,957,424
UNITS IN ISSUE ('000)	18	**2,880,156**	2,871,143	**2,880,156**	2,871,143
NET ASSET VALUE PER UNIT ($)		**1.49**	1.38	**1.49**	1.38

* Amount is less than $1,000

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

Distribution Statements

For the financial year ended 31 March 2018

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Amount available for distribution to Unitholders at the beginning of year	**100,406**	78,318	**100,406**	78,318
Total return for the year after income tax before distribution	**567,573**	345,840	**567,567**	345,834
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments (Note A)	**(307,214)**	(118,597)	**(307,208)**	(118,591)
Amount available for distribution	**360,765**	305,561	**360,765**	305,561
Distribution to Unitholders:				
Distribution of 2.26 cents per unit for the period from 1 January 2017 to 31 March 2017	**(64,888)**	-	**(64,888)**	-
Distribution of 2.23 cents per unit for the period from 1 April 2017 to 30 June 2017	**(64,142)**	-	**(64,142)**	-
Distribution of 2.24 cents per unit for the period from 1 July 2017 to 30 September 2017	**(64,458)**	-	**(64,458)**	-
Distribution of 2.30 cents per unit for the period from 1 October 2017 to 31 December 2017	**(66,215)**	-	**(66,215)**	-
Distribution of 2.02 cents per unit for the period from 1 January 2016 to 31 March 2016	**-**	(43,026)	**-**	(43,026)
Distribution of 2.03 cents per unit for the period from 1 April 2016 to 30 June 2016	**-**	(43,325)	**-**	(43,325)
Distribution of 0.74 cents per unit for the period from 1 July 2016 to 3 August 2016	**-**	(15,794)	**-**	(15,794)
Distribution of 1.31 cents per unit for the period from 4 August 2016 to 30 September 2016	**-**	(37,580)	**-**	(37,580)
Distribution of 2.28 cents per unit for the period from 1 October 2016 to 31 December 2016	**-**	(65,430)	**-**	(65,430)
Total Unitholders' distribution	**(259,703)**	(205,155)	**(259,703)**	(205,155)
Amount available for distribution to Unitholders at end of the year	**101,062**	100,406	**101,062**	100,406

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

Distribution Statements

For the financial year ended 31 March 2018

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Note A:				
Adjustment for net effect of non-tax deductible/(chargeable) items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
- Management fees paid/payable in units	**14,820**	12,789	**14,820**	12,789
- Trustee's fees	**794**	706	**794**	706
- Financing fees	**2,094**	2,139	**2,094**	2,139
- Net change in fair value of financial derivatives	**1,573**	(4,205)	**1,573**	(4,205)
- Net change in fair value of investment properties	**(324,204)**	(135,305)	**(324,204)**	(135,305)
- Unrealised foreign exchange (gain)/loss	**(1,618)**	4,541	**(1,618)**	4,541
- Other non-tax deductible items and other adjustments	**(673)**	738	**(667)**	744
	(307,214)	(118,597)	**(307,208)**	(118,591)

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Total return for the financial year after income tax before distribution		**567,573**	345,840
Adjustments for:			
- Income tax expense	7(a)	*****	*
- Depreciation	13	**61**	45
- Impairment of trade receivables	21(c)(ii)	**159**	1
- Fixed assets written off	13	**10**	-
- Unrealised foreign exchange (gain)/loss		**(1,618)**	4,541
- Net change in fair value of investment properties	12	**(324,204)**	(135,305)
- Net change in fair value of financial derivatives		**1,573**	(4,205)
- Finance income		**(403)**	(463)
- Finance expenses	5	**64,329**	54,168
- Manager's management fees paid/payable in units		**14,820**	12,789
		322,300	277,411
Change in working capital:			
- Trade and other receivables		**(162)**	2,078
- Other current assets		**2**	(55)
- Trade and other payables		**10,171**	13,248
Cash generated from operations		**332,311**	292,682
Excess income tax provision refunded to private trust unitholder	7(c)	**-**	(5,111)
Income tax paid	7(c)	**(*)**	(*)
Net cash provided by operating activities		**332,311**	287,571
Cash flows from investing activities			
Additions to investment properties		**(18,541)**	(18,496)
Acquisition of investment properties		**-**	(1,834,594)[1]
Additions of plant and equipment		**(81)**	(111)
Finance income received		**431**	451
Net cash used in investing activities		**(18,191)**	(1,852,750)
Cash flows from financing activities			
Proceeds from borrowings		**232,001**	1,004,800
Repayments of borrowings		**(452,000)**	(487,700)
Proceeds from issuance of notes		**220,000**	260,000
Payments of financing expenses		**(466)**	(4,397)
Payment of distribution to Unitholders		**(259,703)**	(201,507)[2]
Finance expenses paid		**(62,767)**	(49,265)
Payments of transaction costs related to the issue of units		**-**	(10,717)
Proceeds from issuance of new units		**-**	1,044,283
Net cash (used in)/provided by financing activities		**(322,935)**	1,555,497
Net decrease in cash and cash equivalents		**(8,815)**	(9,682)
Cash and cash equivalents			
Beginning of financial year		**53,907**	63,589
End of financial year	9	**45,092**	53,907

1 The amount excludes the payment of acquisition fees paid to the Manager by way of issuance of units.

2 The amount excludes the distribution by way of issuance of units pursuant to the Distribution Reinvestment Plan.

* Amount is less than $1,000

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

Reconciliation of liabilities arising from financing activities

	Borrowings and interest payable 2018 $'000
Beginning of financial year	**2,338,881**
Proceeds from borrowings	**232,001**
Repayments of borrowings	**(452,000)**
Proceeds from issuance of notes	**220,000**
Finance expenses paid	**(62,767)**
Payments of financing expenses	**(466)**
Change in working capital:	
- Trade and other payables	**(83)**
Non-cash changes:	
- Finance expenses	**64,329**
- Unrealised foreign exchange gain	**(1,618)**
End of financial year	**2,338,277**

Statements of Movements in Unitholders' Funds

For the financial year ended 31 March 2018

		Group		MCT	
	Note	**2018 $'000**	2017 $'000	**2018 $'000**	2017 $'000
OPERATIONS					
Balance at beginning of year		**976,334**	835,649	**976,305**	835,626
Total return for the year		**567,573**	345,840	**567,567**	345,834
Distributions to Unitholders		**(259,703)**	(205,155)	**(259,703)**	(205,155)
Balance at end of year		**1,284,204**	976,334	**1,284,169**	976,305
UNITHOLDERS' CONTRIBUTION					
Balance at beginning of year		**2,981,748**	1,928,144	**2,981,748**	1,928,144
Movement during the year					
- Issue of new units pursuant to Distribution Reinvestment Plan		**-**	3,648	**-**	3,648
- Manager's management fees paid in units		**13,828**	7,446	**13,828**	7,446
- Manager's acquisition fee paid in units		**-**	8,900	**-**	8,900
- Issue of new units pursuant to private placement		**-**	529,075	**-**	529,075
- Issue of new units pursuant to preferential offering		**-**	515,208	**-**	515,208
Issue costs		**-**	(10,673)	**-**	(10,673)
Balance at end of year		**2,995,576**	2,981,748	**2,995,576**	2,981,748
HEDGING RESERVE					
Balance at beginning of year		**(629)**	183	**(629)**	183
Changes in fair value		**4,222**	(812)	**4,222**	(812)
Balance at end of year	19	**3,593**	(629)	**3,593**	(629)
Total Unitholders' funds at the end of the year		**4,283,373**	3,957,453	**4,283,338**	3,957,424

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

Portfolio Statement

As at 31 March 2018

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
VivoCity	N.A[2]	Leasehold	99 years	78 years	1 HarbourFront Walk VivoCity Singapore
Mapletree Business City I (“MBC I”)	25 August 2016[3]	Leasehold	99 years	78 years	10, 20, 30 Pasir Panjang Road Singapore
PSA Building (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[3]	Leasehold	99 years	78 years	460 Alexandra Road PSA Building Singapore
Mapletree Anson	4 February 2013[3]	Leasehold	99 years	88 years	60 Anson Road Mapletree Anson Singapore
Bank of America Merrill Lynch HarbourFront (“MLHF”)	27 April 2011[3]	Leasehold	99 years	78 years	2 HarbourFront Place Bank of America Merrill Lynch HarbourFront Singapore
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, PSA Building, Mapletree Anson and MLHF were acquired from Mapletree Business City Pte. Ltd. (“MBCPL”), Heliconia Realty Pte. Ltd., 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 2018 conducted by CBRE Pte. Ltd. (“CBRE”) for VivoCity and Knight Frank Pte. Ltd. (“Knight Frank”) for MBC I , PSA Building, Mapletree Anson and MLHF (2017: the carrying amounts of the investment properties were based on independent valuations as at 31 March 2017 conducted by Knight Frank for VivoCity, Edmund Tie and Company (SEA) Pte Ltd (“ETC”) for MBC I and CBRE for PSA Building, Mapletree Anson and MLHF). CBRE, Knight Frank and ETC have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the income capitalisation method and discounted cash flow method.

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

Gross revenue for the financial year ended 31/03/2018 $'000	Gross revenue for the financial year ended 31/03/2017 $'000	**Occupancy rate as at 31/03/2018 %**	Occupancy rate as at 31/03/2017 %	**At valuation as at 31/03/2018 $'000**	At valuation as at 31/03/2017 $'000	**Percentage of total net assets attributable to Unitholders as at 31/03/2018 %**	Percentage of total net assets attributable to Unitholders as at 31/03/2017 %
206,641	200,856	**93.1**	99.0	**3,028,000**	2,741,000	**70.7**	69.3
125,951	74,762	**99.4**	99.0	**1,892,000**	1,853,000	**44.2**	46.8
48,893	49,732	**96.1**	98.3	**740,000**	735,000	**17.3**	18.6
33,701	34,451	**86.6**	100.0	**701,000**	690,000	**16.3**	17.4
18,339	17,946	**100.0**	79.2	**321,000**	318,000	**7.5**	8.0
433,525	377,747			**6,682,000**	6,337,000	**156.0**	160.1
				(2,398,627)	(2,379,547)	**(56.0)**	(60.1)
				4,283,373	3,957,453	**100.0**	100.0

Notes to the Financial Statements

For the financial year ended 31 March 2018

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.

MCT's current portfolio comprises 5 properties located in Singapore:
(a) VivoCity, Singapore's largest mall located in the HarbourFront Precinct;
(b) MBC I, a large-scale integrated office and business park complex in the Alexandra Precinct comprising an office tower and three business park blocks;
(c) PSA Building, an established integrated development in the Alexandra Precinct with a 40-storey office block and a three-storey retail centre, Alexandra Retail Centre;
(d) Mapletree Anson, a 19-storey premium office building located in Singapore's Central Business District; and
(e) MLHF, a premium six-storey office building in the HarbourFront Precinct.

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 follows:

(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 of 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.

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

Under the property management agreement, the property management fees to be paid to Mapletree Commercial Property Management Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), are as follows:

- 2.0% per annum of Gross Revenue for the properties;
- 2.0% per annum of the NPI for the properties (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) 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 agreed 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 2018

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

These financial statements, which are expressed in Singapore Dollars ("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 RAP 7 requires management 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 or complexity, where estimates and assumptions are significant to the financial statements, and where uncertainty has the most significant risk of resulting in a material adjustment within the next financial year is included in Note 12 – Investment properties.

Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

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

FRS 7 *Statement of Cash Flows*

The Group has adopted the amendments to FRS 7 *Statement of Cash Flows (Disclosure initiative)* on 1 April 2017. It sets out the required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in the Consolidated Statement of Cash Flows.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services and is presented net of goods and services tax, rebates and discounts.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(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 includes gross turnover rental, are recognised as income in the Statements of Total Return when earned and the amount can be measured reliably.

(b) Car parking income

Car parking income from the operation of car parks is recognised when the services are rendered.

(c) Finance income

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

2.3 Expenses

(a) 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).

(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) Trustee's fees

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Borrowing costs

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

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 financial period.

2.5 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 reporting date.

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

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary, except where the timing of the reversal of the temporary differences can be controlled 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 reporting date; and

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Income taxes (continued)

Current and deferred income taxes are recognised as income or expenses in the Statements of Total Return, 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 non-corporate entity (excluding 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);
- A branch of company incorporated outside Singapore; and
- Unitholders which are international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

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 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Group accounting

(a) Subsidiary

(i) Consolidation

A subsidiary is an entity (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. A subsidiary is 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 subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Acquisitions of business

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

The consideration transferred for the business acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes 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.

(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 Statements of Total Return or transferred directly to Unitholders' funds if required by a specific Standard.

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 Statements of Total Return.

Please refer to Note 2.11 "Investment in subsidiary" for the accounting policy on investments in subsidiary in the financial statements of MCT.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Group accounting (continued)

(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.

2.7 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.

2.8 Loans and receivables

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

These loans and receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

Loans and receivables are assessed at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 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 investment properties are valued by independent registered valuers at least once a year in accordance with the CIS. Changes in fair value are recognised in the Statements of Total Return.

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 the Statements of Total Return. The costs of maintenance, repairs and minor improvements are recognised in the Statements of Total Return when incurred.

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

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.

2.10 Plant and equipment

(a) *Measurement*

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

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 years – 10 years

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Plant and equipment (continued)

(c) Subsequent expenditure

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

(d) Disposal

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

2.11 Investment in subsidiary

Investment in subsidiary is carried at cost less accumulated impairment losses in MCT's Statement of Financial Position. On disposal of the investment in subsidiary, the difference between net disposal proceeds and the carrying amounts of the investments are recognised in the Statements of Total Return.

2.12 Impairment of non-financial assets

Plant and equipment and investment in subsidiary 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.

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

An impairment loss for an asset is reversed 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 the Statements of Total Return.

2.13 Borrowings

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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.

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

(a) Cash flow hedge – 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 the hedging reserve and reclassified to the Statements of Total Return when the hedged interest expense on the borrowings is recognised in the Statements of Total Return. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in the Statements of Total Return.

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

(b) Derivatives that are not designated or do not qualify for hedge accounting ("Non-hedging instruments")

Fair value changes on these derivatives are recognised in the Statements of Total Return when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Fair value estimation of financial assets and liabilities

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

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

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

2.17 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.

2.18 Currency translation

(a) Functional and presentation currency

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

2.19 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.

2.20 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.

2.21 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. 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 Singapore Dollars.

Notes to the Financial Statements

For the financial year ended 31 March 2018

3. GROSS REVENUE

	Group and MCT	
	2018	2017
	$'000	$'000
Gross rental income	**405,817**	354,285
Car parking income	**9,081**	9,458
Other operating income	**18,627**	14,004
	433,525	377,747

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

4. PROPERTY OPERATING EXPENSES

	Group and MCT	
	2018	2017
	$'000	$'000
Operation and maintenance	**18,783**	16,391
Utilities	**7,534**	9,702
Property tax	**36,598**	31,566
Property management fees	**17,581**	15,244
Staff costs	**9,311**	8,171
Marketing and professional expenses	**3,708**	3,508
Depreciation (Note 13)	**61**	45
Other operating expenses	**1,104**	814
	94,680	85,441

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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5. FINANCE EXPENSES

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Interest expense				
- Bank and other borrowings	**52,094**	42,705	**29,500**	25,659
- Loans from a subsidiary	**-**	-	**22,594**	17,046
- Non-hedging derivative instruments	**2,466**	2,486	**2,466**	2,486
	54,560	45,191	**54,560**	45,191
Derivative hedging instruments				
- Cash flow hedges, reclassified from hedging reserve (Note 19)	**7,628**	6,805	**7,628**	6,805
Financing fees				
- Amortised borrowing costs	**1,843**	1,522	**1,843**	1,522
- Commitment and related bank fees	**298**	650	**298**	650
	64,329	54,168	**64,329**	54,168

6. OTHER TRUST EXPENSES

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Audit fee	**96**	96	**94**	94
Consultancy and professional fees	**298**	407	**295**	404
Valuation fees	**108**	118	**108**	118
Other trust expenses	**658**	824	**669**	835
	1,160	1,445	**1,166**	1,451

Included in other trust expenses of MCT was an amount of $12,000 (2017: $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").

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. INCOME TAXES

(a) Income tax expense

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Tax expense attributable to total return is made up of:				
Current income tax				
- Current financial year	*****	*	**-**	-
- Under/(over) provision in prior year	*****	(*)	**-**	-
	*****	*	**-**	-

* Amount is less than $1,000

(b) 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	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Total return before tax	**567,573**	345,840	**567,567**	345,834
Tax calculated at a tax rate of 17% (2017: 17%)	**96,487**	58,793	**96,486**	58,792
Effects of:				
- Expenses not deductible for tax purposes	**3,165**	3,556	**3,165**	3,556
- Income not subject to tax due to tax transparency ruling (Note 2.5)	**(44,261)**	(38,631)	**(44,261)**	(38,631)
- Income not subject to tax	**(55,391)**	(23,718)	**(55,390)**	(23,717)
- Under/(over) provision in prior year	*****	(*)	**-**	-
	*****	*	**-**	-

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. INCOME TAXES (continued)

(c) Current income tax liabilities

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Beginning of financial year	*****	5,111	**-**	5,111
Excess income tax provision refunded	**-**	(5,111)	**-**	(5,111)
Income tax paid	**(*)**	(*)	**-**	-
Income tax expense	*****	*	**-**	-
Under/(over) provision in prior years	*****	(*)	**-**	-
End of financial year	*****	*	**-**	-

* Amount is less than $1,000

The current income tax liabilities refer to income tax provision based on the taxable income of MCTTC.

During the previous financial year, the excess income tax provision of $5,111,000 relating to taxable income when MCT was a taxable private trust was refunded to the private trust unitholder following the closure of respective tax years of assessment.

8. EARNINGS PER UNIT

	Group	
	2018	2017
Total return attributable to Unitholders of MCT ($'000)	**567,573**	345,840
Weighted average number of units outstanding during the year ('000)	**2,877,303**	2,596,710
Basic and diluted earnings per unit (cents)	**19.73**	13.32

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.

9. CASH AND CASH EQUIVALENTS

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**18,092**	23,907	**18,050**	23,874
Short-term bank deposits	**27,000**	30,000	**27,000**	30,000
	45,092	53,907	**45,050**	53,874

Short-term bank deposits at the reporting date have a weighted average maturity of 1.9 months (2017: 0.8 months) from the end of the financial year. The effective interest rate at reporting date is 1.1% (2017: 0.8%) per annum.

Notes to the Financial Statements

For the financial year ended 31 March 2018

10. TRADE AND OTHER RECEIVABLES

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- related parties	*****	*	*****	*
- non-related parties	**1,234**	1,150	**1,234**	1,150
Trade receivables – net	**1,234**	1,150	**1,234**	1,150
Non-trade receivables due from a subsidiary	**-**	-	**-**	3
Non-trade receivables due from related parties	**69**	61	**69**	61
Interest receivable:				
- non-related parties	**6**	34	**6**	34
Other receivables	**36**	39	**36**	39
Accrued revenue	**1,601**	1,687	**1,601**	1,687
	2,946	2,971	**2,946**	2,974

* Amount is less than $1,000

The non-trade receivables due from a subsidiary and related parties are unsecured, interest free and repayable on demand.

11. OTHER CURRENT ASSETS

	Group and MCT	
	2018	2017
	$'000	$'000
Deposits	**109**	106
Prepayments	**309**	314
	418	420

Notes to the Financial Statements

For the financial year ended 31 March 2018

12. INVESTMENT PROPERTIES

	Group and MCT	
	2018	2017
	$'000	$'000
Completed investment properties		
Beginning of financial year	**6,337,000**	4,341,800
Additions	**21,046**	17,041
Acquisition of investment property	**-**	1,843,494
Adjustments to prior year accrued development costs	**(250)**	(640)
Net change in fair value of investment properties taken to Statements of Total Return	**324,204**	135,305
End of financial year	**6,682,000**	6,337,000

During the previous financial year, MCT acquired MBC I for a purchase consideration of $1,780,000,000 and incurred directly attributable acquisition costs of $63,494,000. Included in the directly attributable acquisition costs was an acquisition fee of $8,900,000 paid to the Manager through the issuance of 5,785,983 units, stamp duty paid of $53,395,000 and fees of $130,000 paid to the auditor of MCT for the services rendered as the independent reporting auditor.

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

- 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 unobservable inputs for the asset or liability.

All properties within MCT and the Group'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 2018

12. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of MCT and the Group's properties have been generally derived using the income capitalisation method and discounted cash flow method. The income capitalisation and discounted cash flow methods involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. 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 condition.

Description	Fair value $'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Properties for leasing	6,682,000 (2017: 6,337,000)	Income capitalisation	Capitalisation rate	3.70% - 5.35% (2017: 3.85% - 5.50%)
		Discounted cash flow	Discount rate	7.00% - 7.50% (2017: 7.00% - 7.50%)

Significant reductions in the key unobservable inputs in isolation would result in a significantly higher fair value of the investment properties.

The significant unobservable inputs correspond to the following:

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

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

There were no significant inter-relationships between unobservable inputs.

Notes to the Financial Statements

For the financial year ended 31 March 2018

13. PLANT AND EQUIPMENT

	Group and MCT	
	2018	2017
	$'000	$'000
Cost		
Beginning of financial year	**262**	210
Additions	**81**	52
Fixed assets written off	**(37)**	-
End of financial year	**306**	262
Accumulated depreciation		
Beginning of financial year	**101**	56
Depreciation charge	**61**	45
Fixed assets written off	**(27)**	-
End of financial year	**135**	101
Net book value		
End of financial year	**171**	161

14. INVESTMENT IN SUBSIDIARY

	MCT	
	2018	2017
	$'000	$'000
Equity investment at cost	*****	*

Subsidiary held by MCT is as follows:

Name of company	Principal activities	Country of business/ incorporation	Proportion of shares held by Group and MCT 2018 %	2017 %
Mapletree Commercial Trust Treasury Company Pte. Ltd.[(a)]	Provision of treasury services	Singapore/ Singapore	**100**	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore

* Amount is less than $1,000

There are no significant restrictions on the Company's subsidiary.

Notes to the Financial Statements

For the financial year ended 31 March 2018

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group and MCT				
2018				
Cash-flow hedges:				
Interest rate swaps	April 2018 – August 2022	**976,000**	**5,230**	**1,637**
Non-hedging instrument:				
Cross currency interest rate swap	March 2023	**100,000**	**4,956**	**-**
Total		**1,076,000**	**10,186**	**1,637**
Current portion			**-**	**154**
Non-current portion			**10,186**	**1,483**
2017				
Cash-flow hedges:				
Interest rate swaps	April 2017 – August 2022	1,149,800	4,324	4,954
Non-hedging instruments:				
Cross currency interest rate swap	March 2023	100,000	6,870	-
Interest rate swap	March 2018	100,000	-	340
Total		1,349,800	11,194	5,294
Current portion			-	388
Non-current portion			11,194	4,906

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 the Statements of Total Return 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 the Statements of Total Return when the changes arise.

Cross currency interest rate swap

Cross currency interest rate swaps ("CCIRS") are transacted to hedge foreign currency interest rate risk arising from foreign denominated borrowings.

As at 31 March 2018, the Group held a JPY/SGD CCIRS to provide SGD variable rate funding. The CCIRS matures on the same date as the borrowings. Fair value changes on the CCIRS are recognised in the Statements of Total Return when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 March 2018

16. TRADE AND OTHER PAYABLES

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Trade payables	**773**	603	**773**	603
Amounts due to related parties:				
- trade	**116**	542	**116**	542
- non-trade	**-**	*	**-**	*
Non-trade amounts due to a subsidiary	**-**	-	**83**	1
Accrued capital expenditure	**5,142**	3,308	**5,142**	3,308
Accrued operating expenses	**37,440**	32,622	**37,349**	32,614
Accrued retention sums	**919**	498	**919**	498
Interest payable	**8,846**	9,127	**8,846**	9,127
Tenancy related deposits	**15,610**	12,613	**15,610**	12,613
Other deposits	**246**	246	**246**	246
Rental received in advance	**4,521**	4,680	**4,521**	4,680
Net Goods and Services Tax payable	**5,621**	5,520	**5,622**	5,526
Other payables	**3,973**	1,699	**3,973**	1,699
	83,207	71,458	**83,200**	71,457
Non-current				
Tenancy related deposits	**43,165**	41,694	**43,165**	41,694
	126,372	113,152	**126,365**	113,151

* Amount is less than $1,000

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

The fair value of the non-current tenancy related deposits approximates its carrying value as at reporting date.

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Current				
Bank loans	**144,000**	-	**144,000**	-
Transaction cost to be amortised	**(95)**	-	**(95)**	-
	143,905	-	**143,905**	-
Non-current				
Bank loans	**1,223,601**	1,587,600	**1,223,601**	1,587,600
Transaction cost to be amortised	**(2,938)**	(4,521)	**(2,938)**	(4,521)
	1,220,663	1,583,079	**1,220,663**	1,583,079
Medium term notes	**967,027**	748,645	**-**	-
Transaction cost to be amortised	**(2,164)**	(1,970)	**-**	-
	964,863	746,675	**-**	-
Total borrowings, non-current	**2,185,526**	2,329,754	**1,220,663**	1,583,079
Loans from a subsidiary	**-**	-	**967,027**	748,645
Transaction cost to be amortised	**-**	-	**(2,164)**	(1,970)
	-	-	**964,863**	746,675
	2,329,431	2,329,754	**2,329,431**	2,329,754

The above bank loans and borrowings are unsecured. In accordance with the various facility agreements, VivoCity, MBC I and Mapletree Anson are subject to a negative pledge (2017: VivoCity, MBC I and Mapletree Anson were subjected to a negative pledge).

(a) Maturity of borrowings

The non-current bank loans mature between 2019 and 2023 (2017: between 2018 and 2022). The medium term notes and loans from a subsidiary will mature between 2019 and 2027 (2017: 2019 and 2026).

(b) Medium term notes

In 2012, the Group established a $1,000,000,000 MTN Programme via its subsidiary, MCTTC. 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 Singapore Dollars 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 DBS Trustee Limited, in its capacity as Trustee of MCT.

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes (continued)

Total notes outstanding as at 31 March 2018 under the MTN Programme is $967,027,000 (2017: $748,645,000), consisting of:

Maturity date	Interest rate per annum	Interest payment in arrears	2018 ’000	2017 ’000
(i) 24 August 2020	3.60%	Semi-annually	**$160,000**	$160,000
(ii) 12 April 2021	3.20%	Semi-annually	**$70,000**	$70,000
(iii) 7 November 2019	2.65%	Semi-annually	**$50,000**	$50,000
(iv) 3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(v) 24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(vi) 15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(vii) 27 August 2027	3.045%	Semi-annually	**$100,000**	-
(viii) 23 September 2024	3.28%	Semi-annually	**$120,000**	-
(ix) 16 March 2023[1]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] A CCIRS has been entered into to hedge the JPY8,700,000,000 (2017: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (2017: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears.

(c) Loans from a subsidiary

MCTTC has on-lent the proceeds from the issuance of the notes to MCT, who 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	2018 ’000	2017 ’000
(i) 24 August 2020	3.60%	Semi-annually	**$160,000**	$160,000
(ii) 12 April 2021	3.20%	Semi-annually	**$70,000**	$70,000
(iii) 7 November 2019	2.65%	Semi-annually	**$50,000**	$50,000
(iv) 3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(v) 24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(vi) 15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(vii) 27 August 2027	3.045%	Semi-annually	**$100,000**	-
(viii) 23 September 2024	3.28%	Semi-annually	**$120,000**	-
(ix) 16 March 2023[1]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] A CCIRS has been entered into to hedge the JPY8,700,000,000 (2017: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (2017: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears.

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(d) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the loan were as follows:

	Group		MCT	
	2018	2017	**2018**	2017
Bank loans (current)	**2.12%**	-	**2.12%**	-
Bank loans (non-current)	**2.77%**	2.47%	**2.77%**	2.47%
Medium term notes (non-current)	**3.15%**	3.17%	**-**	-
Loans from a subsidiary (non-current)	**-**	-	**3.15%**	3.17%

(e) Carrying amount and fair value

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

The carrying amount and fair value of the fixed rate non-current borrowings are as follows:

	Carrying amounts		Fair values	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Group				
Medium term notes (non-current)	**860,000**	640,000	**855,931**	648,003
MCT				
Loans from a subsidiary (non-current)	**860,000**	640,000	**855,931**	648,003

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

	2018	2017
Group		
Medium term notes (non-current)	**2.52% - 3.49%**	2.35% - 3.26%
MCT		
Loans from a subsidiary (non-current)	**2.52% - 3.49%**	2.35% - 3.26%

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

(f) Undrawn committed borrowing facilities

	Group and MCT	
	2018	2017
	$'000	$'000
Expiring within one year	**50,000**	-
Expiring beyond one year	**99,999**	50,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. UNITS IN ISSUE

	Note	Group and MCT 2018 '000	2017 '000
Units at beginning of financial year		**2,871,143**	2,130,003
Units issued as settlement of Manager's management fees	(a)	**9,013**	5,137
Units issued as settlement of Manager's acquisition fee	(b)	**-**	5,786
Units issued arising from Distribution Reinvestment Plan	(c)	**-**	2,515
Units issued pursuant to private placement	(d)	**-**	364,879
Units issued pursuant to preferential offering	(e)	**-**	362,823
Units at end of financial year		**2,880,156**	2,871,143

(a) During the financial year, 9,013,274 new units (2017: 5,137,620) were issued at the issue price range of $1.5081 to $1.6262 (2017: $1.3936 to $1.5797) per unit, in respect of the part payment of Manager's base fees to the Manager in units for the period from 1 January 2017 to 31 December 2017 and part payment of Manager's performance fees in units for the financial year from 1 April 2016 to 31 March 2017 (2017: part payment of management fees to the Manager in units for the period from 1 January 2016 to 31 March 2016 and part payment of Manager's base fees in units for the period from 1 April 2016 to 31 December 2016). 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 previous financial year, 5,785,983 new units were issued at the issue price of $1.5382 per unit, amounting to $8,900,000, as satisfaction of the Manager's acquisition fee arising from the acquisition of MBC I. The issuance represents a non-cash transaction.

(c) MCT introduced and implemented a Distribution Reinvestment Plan ("DRP") on 24 July 2013 whereby the Unitholders have the option to receive their distribution in units instead of cash or a combination of units and cash.

During the previous financial year, 2,515,137 new units at the issue price of $1.4498 per unit were issued pursuant to the DRP. The issuances were related to distribution for the period from 1 January 2016 to 31 March 2016. The application of DRP was discontinued after the listing of these new units. These issuances represent non-cash transactions.

(d) During the previous financial year, 364,879,000 new units were issued at the issue price of $1.45 per unit, amounting to $529,075,000 for cash as part of the private placement undertaken by MCT.

(e) During the previous financial year, 362,822,648 new units were issued at the issue price of $1.42 per unit, amounting to $515,208,000 for cash as part of the preferential offering undertaken by MCT, where unitholders were entitled to subscribe for 17 new units for every 100 existing units held.

The proceeds raised from the private placement and preferential offering were used to partially fund the acquisition of MBC I and the related acquisition costs.

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. UNITS IN ISSUE (continued)

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.

19. HEDGING RESERVE

	Group and MCT	
	2018	2017
	$'000	$'000
Beginning of financial year	**(629)**	183
Fair value losses	**(3,406)**	(7,617)
Reclassification to Statements of Total Return		
- Finance expenses (Note 5)	**7,628**	6,805
End of financial year	**3,593**	(629)

Hedging reserve is non-distributable.

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For the financial year ended 31 March 2018

20. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements amounted to $16,566,000 (2017: $10,500,000).

(b) Operating lease commitments – where the Group is a lessor

The Group and MCT lease out offices and retail spaces under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Some lessees are required to pay contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group and MCT	
	2018	2017
	$'000	$'000
Not later than 1 year	**378,001**	373,171
Between 1 and 5 years	**696,443**	684,321
Later than 5 years	**155,489**	129,641
	1,229,933	1,187,133

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

The contingent lease payments recognised as revenue during the financial year were $13,498,000 (2017: $14,353,000).

21. 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 rate 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 manages these cash flow interest rate risks using floating-to-fixed interest rate swaps and a floating-to-floating cross currency interest rate swap.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

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

The exposure of the unhedged borrowings of the Group to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
6 months or less:				
Revolving credit facilities	**50,001**	9,000	**50,001**	9,000
Term loans	**341,600**	428,800	**341,600**	428,800
Medium term notes	**100,000**	-	**-**	-
Loans from a subsidiary	**-**	-	**100,000**	-
	491,601	437,800	**491,601**	437,800

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 $976,000,000 (2017: $1,149,800,000) whereby it receives variable rates equal to the Singapore swap offer rate on the notional amounts and pays fixed interest rates ranging from 1.40% to 2.33% (2017: 0.91% to 2.33%) per annum.

(ii) Cross currency interest rate swap, with a notional contract amount of $100,000,000 (2017: $100,000,000) whereby it receives a variable rate of JPY LIBOR + 0.3% (2017: JPY LIBOR + 0.3%) per annum on the notional amount and pays a variable rate of Singapore swap offer rate + 1.08% (2017: Singapore swap offer rate + 1.08%) per annum. Interest rate swap with notional contract amount of $100,000,000 (2017: $100,000,000) entered into to receive this variable rate and pay fixed interest rate of 1.705% (2017: 1.705%) per annum, has expired during the financial year.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. 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 Singapore Dollars. If the Singapore Dollars interest rates increase/(decrease) by 0.50% (2017: 0.50%) with all other variables including tax rate being held constant, the total return and hedging reserve attributable to Unitholders will increase/(decrease) 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)			
	Statements of Total Return		Hedging Reserve	
	Increase by 0.50% $'000	Decrease by 0.50% $'000	Increase by 0.50% $'000	Decrease by 0.50% $'000
Group and MCT				
2018				
Interest bearing borrowings	**(2,458)**	**2,458**	**-**	**-**
Interest rate swaps	**-**	**-**	**8,868**	**(8,868)**
Cross currency interest rate swap	**321**	**(324)**	**-**	**-**
	(2,137)	**2,134**	**8,868**	**(8,868)**
2017				
Interest bearing borrowings	(2,189)	2,189	-	-
Interest rate swaps	455	(457)	10,795	(10,795)
Cross currency interest rate swap	88	(90)	-	-
	(1,646)	1,642	10,795	(10,795)

(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 CCIRS with notional contract amount of JPY8,700,000,000 into Singapore Dollars amounting to $100,000,000. The CCIRS matures on the same date that the JPY medium term notes are due for repayment.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(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 bank deposits and trade receivables. 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.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group and MCT	
	2018	2017
	$'000	$'000
Past due < 3 months	**1,192**	1,107
Past due over 3 months	**42**	43
	1,234	1,150

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group and MCT	
	2018	2017
	$'000	$'000
Allowance for impairment		
Beginning of financial year	**1**	-
Allowance made	**159**	1
Allowance utilised	**(118)**	-
End of financial year	**42**	1

The Manager believes that no additional allowance is necessary in respect of the remaining trade and other receivables as these receivables are mainly arising from tenants with good records with sufficient security in the form of bankers guarantees or cash security deposits as collaterals.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(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 table below analyses non-derivative financial liabilities of the Group and MCT into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. 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 equal 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 2018			
Trade and other payables	**73,065**	**41,448**	**1,717**
Borrowings	**157,194**	**1,797,291**	**619,264**
	230,259	**1,838,739**	**620,981**
As at 31 March 2017			
Trade and other payables	61,258	40,821	873
Borrowings	50,704	1,737,626	765,359
	111,962	1,778,447	766,232
MCT			
As at 31 March 2018			
Trade and other payables	**73,057**	**41,448**	**1,717**
Borrowings	**129,552**	**1,224,047**	**100,019**
Loans from a subsidiary	**27,642**	**573,244**	**519,245**
	230,251	**1,838,739**	**620,981**
As at 31 March 2017			
Trade and other payables	61,251	40,821	873
Borrowings	29,998	1,389,331	265,865
Loan from a subsidiary	20,706	348,295	499,494
	111,955	1,778,447	766,232

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group 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 reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows associated with financial derivatives which are expected to impact the Statements of Total Return.

	Less than 1 year $'000	**Between 1 and 5 years $'000**	**More than 5 years $'000**
Group and MCT			
As at 31 March 2018			
Net-settled interest rate swaps			
- Net cash outflows	**4,228**	**2,561**	**-**
Gross-settled cross currency interest rate swap			
- Cash inflows	**(268)**	**(108,089)**	**-**
- Cash outflows	**2,549**	**110,092**	**-**
	6,509	**4,564**	**-**
As at 31 March 2017			
Net-settled interest rate swaps			
- Net cash outflows	7,455	12,706	327
Gross-settled cross currency interest rate swap			
- Cash inflows	(312)	(1,250)	(108,944)
- Cash outflows	2,336	9,350	102,233
	9,479	20,806	(6,384)

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(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 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 ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2017: 45.0%) of its Deposited Property. The Group currently has a corporate family rating of Baa1 Stable (2017: Baa1 Stable) by Moody's Investors Service.

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2018 and 31 March 2017.

	Group	
	2018	2017
	$'000	$'000
Total gross borrowings[1]	**2,327,601**	2,327,600
Total deposited property	**6,740,813**	6,405,653
Aggregate leverage ratio	**34.5%**	36.3%

[1] Reflects total gross borrowings after taking into account the CCIRS taken to hedge the JPY8,700,000,000 (2017: 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 externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(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 unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and MCT				
As at 31 March 2018				
Assets				
Derivative financial instruments				
- Interest rate swaps	**-**	**5,230**	**-**	**5,230**
- Cross currency interest rate swap	**-**	**4,956**	**-**	**4,956**
	-	**10,186**	**-**	**10,186**
Liabilities				
Derivative financial instruments				
- Interest rate swaps	**-**	**(1,637)**	**-**	**(1,637)**
	-	**(1,637)**	**-**	**(1,637)**
As at 31 March 2017				
Assets				
Derivative financial instruments				
- Interest rate swaps	-	4,324	-	4,324
- Cross currency interest rate swap	-	6,870	-	6,870
	-	11,194	-	11,194
Liabilities				
Derivative financial instruments				
- Interest rate swaps	-	(5,294)	-	(5,294)
	-	(5,294)	-	(5,294)

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

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 reporting date. The fair values of interest rate swaps and cross currency interest rate swap are calculated as the present value of the estimated future cash flows.

The carrying value of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The 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 17(e) 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 15 to the financial statements, except for the following:

	Group		MCT	
	2018	2017	**2018**	2017
	$'000	$'000	**$'000**	$'000
Loans and receivables	**48,147**	56,984	**48,105**	56,954
Financial liabilities at amortised cost	**2,445,661**	2,432,706	**2,445,653**	2,432,699

22. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

With the adoption of FRS 110 *Consolidated Financial Statements* (which came into effect for annual periods beginning on or after 1 January 2014), for financial reporting purposes, the Group 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.

Notes to the Financial Statements

For the financial year ended 31 March 2018

23. 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 companies that are under common control with a Unitholder that has significant influence. 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:

	2018 **$'000**	2017 $'000
Manager's management fees paid/payable to the Manager	**29,641**	25,579
Manager's acquisition fee in units paid to the Manager	**-**	8,900
Acquisition of investment property from related company of the Manager	**-**	1,780,000
Property operating expenses recovered/recoverable from and paid/payable to related party of the Manager[1]	**2,085**	1,631
Property and project management fees paid/payable to the Property Manager	**17,657**	15,386
Staff costs paid/payable to the Property Manager	**9,311**	8,171
Trustee's fees paid/payable to the Trustee	**794**	706
Rental and other related income received/receivable from related parties	**26,095**	20,349
Other products and service fees paid/payable to related parties	**4,530**	8,735
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**14,346**	18,143

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RATIOS

	2018	2017
Ratio of expenses to weighted average net assets[1]		
- including performance component of asset management fees	**0.80%**	0.80%
- excluding performance component of asset management fees	**0.46%**	0.46%
Portfolio Turnover Ratio[2]	**-**	-

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005.

The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs, net foreign exchange differences and income tax expense.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS. The portfolio turnover ratio was Nil (2017: Nil) for the financial years ended 31 March 2018 and 31 March 2017 as there were no sales of investment properties.

25. 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 2018

25. SEGMENT REPORTING (continued)

The segment information provided to management for the reportable segments for the year ended 31 March 2018 is as follows:

	VivoCity $'000	MBC I $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	206,641	125,951	48,893	33,701	18,339	433,525
Property operating expenses	(49,985)	(22,223)	(11,845)	(6,688)	(3,939)	(94,680)
Segment net property income	156,656	103,728	37,048	27,013	14,400	338,845
Finance income						403
Finance expenses						(64,329)
Manager's management fees						(29,641)
Trustee's fees						(794)
Other trust expenses						(1,160)
Foreign exchange gain						1,618
Net income						244,942
Net change in fair value of financial derivatives						(1,573)
Net change in fair value of investment properties	271,504	38,607	655	10,734	2,704	324,204
Total return for the financial year before income tax						567,573
Income tax expense						(*)
Total return for the financial year after income tax before distribution						567,573

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC I $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
- Investment properties	**3,028,000**	**1,892,000**	**740,000**	**701,000**	**321,000**	**6,682,000**
- Plant and equipment	**120**	**-**	**2**	**49**	**-**	**171**
- Trade receivables	**1,823**	**150**	**12**	**224**	**626**	**2,835**
	3,029,943	**1,892,150**	**740,014**	**701,273**	**321,626**	**6,685,006**
Unallocated assets						
- Cash and cash equivalents						**45,092**
- Other receivables						**111**
- Other current assets						**418**
- Derivative financial instruments						**10,186**
Total assets						**6,740,813**
Segment liabilities	**43,753**	**9,058**	**8,929**	**6,845**	**772**	**69,357**
Unallocated liabilities						
- Trade and other payables						**57,015**
- Borrowings						**2,329,431**
- Current income tax liabilities						*****
- Derivative financial instruments						**1,637**
Total liabilities						**2,457,440**
Other segmental information						
Additions to:						
- Investment properties	**15,746**	**393**	**4,345**	**266**	**296**	**21,046**
- Plant and equipment	**60**	**-**	**-**	**21**	**-**	**81**

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

The segment information provided to management for the reportable segments for the year ended 31 March 2017 is as follows:

	VivoCity $'000	MBC I $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	200,856	74,762	49,732	34,451	17,946	377,747
Property operating expenses	(50,425)	(13,425)	(11,253)	(6,663)	(3,675)	(85,441)
Segment net property income	150,431	61,337	38,479	27,788	14,271	292,306
Finance income						463
Finance expenses						(54,168)
Manager's management fees						(25,579)
Trustee's fees						(706)
Other trust expenses						(1,445)
Foreign exchange loss						(4,541)
Net income						206,330
Net change in fair value of financial derivatives						4,205
Net change in fair value of investment properties	129,133	9,487	(6,615)	(397)	3,697	135,305
Total return for the financial year before income tax						345,840
Income tax expense						(*)
Total return for the financial year after income tax before distribution						345,840

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC I $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
- Investment properties	2,741,000	1,853,000	735,000	690,000	318,000	6,337,000
- Plant and equipment	117	-	3	41	-	161
- Trade receivables	2,386	126	179	106	40	2,837
	2,743,503	1,853,126	735,182	690,147	318,040	6,339,998
Unallocated assets						
- Cash and cash equivalents						53,907
- Other receivables						134
- Other current assets						420
- Derivative financial instruments						11,194
Total assets						6,405,653
Segment liabilities	41,110	6,403	8,729	5,931	620	62,793
Unallocated liabilities						
- Trade and other payables						50,359
- Borrowings						2,329,754
- Current income tax liabilities						*
- Derivative financial instruments						5,294
Total liabilities						2,448,200
Other segmental information						
Additions to:						
- Investment properties	15,271	19	1,051	397	303	17,041
- Plant and equipment	47	-	5	-	-	52

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

26. NEW OR REVISED RECOMMENDED ACCOUNTING PRACTICE, ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 or later periods and which the Group had not early adopted:

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

  FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI ("FVOCI"). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from FVOCI reserve to retained profits.

  Under FRS 109, there are no changes to the classification and measurement requirements for financial liabilities except for recognition of fair value changes arising from changes in own credit risk. For liabilities designated at fair value through profit or loss, such changes are recognised in OCI.

  FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management uses for risk management purposes.

  There is also now a new expected credit losses impairment model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new FRS retrospectively from 1 April 2018 in line with the transition provisions permitted under the standard. Comparatives for the financial year ended 31 March 2018 will not be restated and the Group will recognise any difference between the carrying amounts as at 31 March 2018 and 1 April 2018 in the Statements of Movements in Unitholders' Funds.

  The following financial assets will be subject to the expected credit losses impairment model under FRS 109:

  - Trade receivables; and
  - Other receivables and amounts due from related parties

  The Group does not expect a material impact on the provision for impairment of the above financial assets.

Notes to the Financial Statements

For the financial year ended 31 March 2018

26. NEW OR REVISED RECOMMENDED ACCOUNTING PRACTICE, ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

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

  FRS 115 replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations.

  Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Group does not anticipate that the adoption of this new FRS would have a material impact on the Group's financial statements.

- **FRS 11*6 Leases*** (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

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

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new standard retrospectively on 1 April 2019 and in line with the transition provisions permitted under the standard, the cumulative effect of initial application will be recognised as an adjustment to the opening unitholders' funds as at 1 April 2019. The Group does not expect the impact on the financial statements to be significant.

27. EVENTS OCCURRING AFTER REPORTING DATE

Subsequent to the reporting date, the Manager announced a distribution of 2.27 cents per unit for the period from 1 January to 31 March 2018.

28. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 24 April 2018.

Interested Person Transactions

For the financial year ended 31 March 2018

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	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 subsidiaries		
- Manager's management fees	29,641	-
- Property and project management fees	17,656	-
- Staff costs	9,311	-
- Lease related income	4,141	-
- Property operating expenses under Shared Service Agreement	2,085	-
DBS Group Holdings Ltd and its subsidiaries		
- Finance expenses	1,922	-
- Trustee's fees	794	-
Temasek Holdings (Private) Limited and its related companies		
- Termination of lease	3,805	-
- Operating related expenses	1,806	-
- Finance expenses	1,066	-
- Lease related income	280	-

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), nor material contracts entered into by MCT and its subsidiary that involved the interests of the CEO or Director of the Manager, or any controlling unitholder of MCT, during the financial year under review.

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 of the SGX-ST's Listing Manual.

Please also see Significant Related Party Transactions on Note 23 in the financial statements.

Interested Person Transactions

For the financial year ended 31 March 2018

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*
Base Fees			
1 April 2017 to 30 June 2017	10 August 2017	1,274,139	1.5660
1 July 2017 to 30 September 2017	7 November 2017	1,328,109	1.5190
1 October 2017 to 31 December 2017	6 February 2018	1,241,116	1.6262
1 January 2018 to 31 March 2018	8 May 2018	1,283,301	1.5682
Performance Fees			
1 April 2017 to 31 March 2018	8 May 2018	4,321,449	1.5682

* 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 fees were accrued.

Statistics of Unitholdings

As at 31 May 2018

ISSUED AND FULLY PAID UNITS

2,885,761,306 units (voting rights: one vote per unit)
Market Capitalisation: S$4,530,645,250.42 (based on closing price of S$1.570 per unit on 31 May 2018)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	234	1.37	10,265	0.00
100 - 1,000	2,423	14.21	2,182,750	0.07
1,001 - 10,000	9,974	58.49	45,236,571	1.57
10,001 - 1,000,000	4,383	25.71	178,072,923	6.17
1,000,001 and above	37	0.22	2,660,258,797	92.19
Total	17,051	100.00	2,885,761,306	100.00

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	16,689	97.88	2,878,275,634	99.74
Malaysia	212	1.24	3,757,587	0.13
Others	150	0.88	3,728,085	0.13
Total	17,051	100.00	2,885,761,306	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Citibank Nominees Singapore Pte Ltd	457,921,338	15.87
2	HarbourFront Place Pte. Ltd.	413,488,636	14.32
3	DBS Nominees (Private) Limited	334,338,232	11.59
4	HarbourFront Eight Pte Ltd	328,887,934	11.39
5	HSBC (Singapore) Nominees Pte Ltd	293,581,877	10.17
6	DBSN Services Pte. Ltd.	286,774,449	9.94
7	The HarbourFront Pte Ltd	128,571,428	4.46
8	Raffles Nominees (Pte.) Limited	124,897,478	4.33
9	NTUC Fairprice Co-operative Limited	68,000,000	2.36
10	Mapletree Commercial Trust Management Ltd.	67,223,133	2.33
11	Sienna Pte. Ltd.	44,072,730	1.53
12	BPSS Nominees Singapore (Pte.) Ltd.	24,263,008	0.84
13	United Overseas Bank Nominees (Private) Limited	19,456,750	0.67
14	DB Nominees (Singapore) Pte Ltd	12,012,586	0.42
15	TOH Capital Pte. Ltd.	6,375,100	0.22
16	Citigroup Global Markets Singapore Securities Pte. Ltd.	5,247,497	0.18
17	DBS Vickers Securities (Singapore) Pte Ltd	4,532,785	0.16
18	Merrill Lynch (Singapore) Pte. Ltd.	4,315,466	0.15
19	CGS-CIMB Securities (Singapore) Pte. Ltd.	4,091,283	0.14
20	OCBC Nominees Singapore Private Limited	3,374,577	0.12
	TOTAL	**2,631,426,287**	**91.19**

Statistics of Unitholdings

As at 31 May 2018

SUBSTANTIAL UNITHOLDERS AS AT 31 MAY 2018

No.	Name of Company	Direct Interest	Deemed Interest	% of Total Issued Capital
1	Temasek Holdings (Private) Limited [1]	-	1,002,639,497	34.74
2	Fullerton Management Pte Ltd [1]	-	982,243,861	34.03
3	Mapletree Investments Pte Ltd [2]	-	982,243,861	34.03
4	The HarbourFront Pte Ltd [3]	128,571,428	742,376,570	30.18
5	HarbourFront Place Pte. Ltd.	413,488,636	-	14.32
6	HarbourFront Eight Pte Ltd	328,887,934	-	11.39
7	Schroders plc [4]	-	260,823,343	9.04
8	Schroder Investment Management (Singapore) Ltd. [5]	-	153,324,315	5.31

Notes

1 Each of Temasek Holdings (Private) Limited ("Temasek") and Fullerton Management Pte Ltd ("Fullerton") is deemed to be interested in the 128,571,428 units held by The HarbourFront Pte Ltd, 413,488,636 units held by HarbourFront Place Pte. Ltd., 328,887,934 units held by HarbourFront Eight Pte Ltd, 44,072,730 units held by Sienna Pte. Ltd. and 67,223,133 units held by Mapletree Commercial Trust Management Ltd.. In addition, Temasek is deemed to be interested in the 20,395,636 units in which an associated company of Temasek has a direct and/or deemed interest. The HarbourFront Pte Ltd, HarbourFront Place Pte. Ltd., HarbourFront Eight Pte Ltd, Sienna Pte. Ltd. and Mapletree Commercial Trust Management Ltd. are wholly owned subsidiaries of Mapletree Investments Pte Ltd ("MIPL") which is in turn a wholly owned subsidiary of Fullerton. Fullerton is a wholly owned subsidiary of Temasek. Each of MIPL and the associated company referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.

2 Mapletree Investments Pte Ltd is deemed to be interested in the 128,571,428 units held by The HarbourFront Pte Ltd, 413,488,636 units held by HarbourFront Place Pte. Ltd., 328,887,934 units held by HarbourFront Eight Pte Ltd, 44,072,730 units held by Sienna Pte. Ltd. and 67,223,133 units held by Mapletree Commercial Trust Management Ltd..

3 The HarbourFront Pte Ltd as holding company of HarbourFront Place Pte. Ltd. and HarbourFront Eight Pte Ltd, is deemed to be interested in the 413,488,636 units held by HarbourFront Place Pte. Ltd. and 328,887,934 units held by HarbourFront Eight Pte Ltd.

4 Schroders plc is deemed to be interested in the 260,823,343 units held on behalf of clients as Investment Managers.

5 Schroder Investment Management (Singapore) Ltd., which is a wholly-owned subsidiary of Schroders plc, is deemed to be interested in the 153,324,315 units held on behalf of clients as Investment Managers.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2018

No.	Name	Direct Interest	Deemed Interest	% of Total Issued Capital
1	Tsang Yam Pui	-	397,800	0.01
2	Kwa Kim Li	-	21,600	0.0007
3	Jennifer Loh	397,800	-	0.01
4	Kan Shik Lum	-	-	-
5	Koh Cheng Chua	-	-	-
6	Premod P. Thomas	-	-	-
7	Hiew Yoon Khong	572,130	3,346,200	0.13
8	Wong Mun Hoong	-	-	-
9	Amy Ng	635,400	-	0.02
10	Sharon Lim	-	18,800	0.0006

FREE FLOAT

Based on the information made available to the Manager as at 31 May 2018, approximately 56.03% 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.