

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

31 MARCH 2021

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements of Mapletree Treasury Services (HKSAR) Limited (the “Company”) for the financial year ended 31 March 2021.

Principal activity

The principal activity of the Company is the provision of financial and treasury operations activities for the holding and related companies within the group.

Results and appropriations

The results of the Company for the financial year are set out in the statement of comprehensive income on page 7.

The Directors do not recommend the payment of a dividend.

Directors of the Company

The Directors of the Company during the financial year and up to the date of this report are:

Chua Tiow Chye
Hiew Yoon Khong
Koh Mui Ai
Wan Kwong Weng (Alternate Director to Hiew Yoon Khong)

There being no provision in the Company’s Articles of Association for retirement by rotation, all current Directors continue in office.

Directors’ material interests in transactions, arrangements and contracts that are significant in relation to the Company’s business

No transactions, arrangements and contracts of significance in relation to the Company’s business to which the Company, its fellow subsidiaries or its holding companies was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial period or at any time during the financial year.

Directors’ interests in shares and debentures of the Company or any specified undertaking of the Company

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Chua Tiow Chye, Hiew Yoon Khong, Koh Mui Ai and Wan Kwong Weng have received or become entitled to receive certain benefits by reason of a contract made by a related company with the Directors, such benefits include the conditional performance based long term incentive payments from Mapletree Investments Pte Ltd (“MIPL”), such as Performance Share Unit Plan and Restricted Share Unit Plan. The above share based payments were not granted for services rendered to the Company, and hence, the related share-based payment expenses are not recognised in the Company’s financial statements.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

REPORT OF THE DIRECTORS (CONTINUED)

Directors' interests in shares and debentures of the Company or any specified undertaking of the Company (Continued)

Share-Based Compensation Plans

The Executive Resource and Compensation Committee ("ERCC") of MIPL has been designated as the Committee responsible for the administration of the share-based compensation plans.

Mapletree Performance Share Units Plan and Mapletree Restricted Share Units Plan

The Mapletree Performance Share Units Plan ("Mapletree PSU Plan") and the Mapletree Restricted Share Units Plan ("Mapletree RSU Plan") (collectively referred to as the "Plans") for employees (including Executive Director) were approved and adopted by the Board of Directors and shareholder of MIPL on 4 November 2009. The first grant of award under the Plans was made in January 2010. The duration of each share plan is 10 years commencing 4 November 2009. The Plans were approved to be extended for another 10 years commencing from 4 November 2019 by the Board of Directors and shareholder on 16 May 2019 and 10 September 2019 respectively.

Under the Plans, awards are granted to eligible participants. Eligible participants of the Plans include selected employees of MIPL, its subsidiaries and its associated companies, including Executive Director.

A Performance Share Unit ("PSU") or Restricted Share Unit ("RSU") granted under the Plans represents a right to receive cash or cash equivalents, fully-paid MIPL Shares, or combinations thereof, as calculated in accordance with the Plans, provided certain performance conditions and service conditions are met.

Under the Mapletree PSU Plan, awards granted to eligible participants vest immediately upon completion of the performance achievement periods. Awards are released once the ERCC is satisfied that the performance conditions have been achieved.

Similarly, under the Mapletree RSU Plan, a portion of the awards are granted to eligible participants vest immediately upon completion of the performance achievement periods and the remaining awards will vest only after a further period of service beyond the performance target completion date. Awards are released once the ERCC is satisfied that the performance conditions have been achieved and extended period of service beyond the performance target completion date have been fulfilled.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the financial year.

Business review

No business review is presented for the financial year ended 31 March 2021 as the Company has been able to claim an exemption under section 388(3) of the Companies Ordinance (Cap. 622) since it is a wholly owned subsidiary of Mapletree Treasury Services Limited.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
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REPORT OF THE DIRECTORS (CONTINUED)

Permitted indemnity provisions

A qualifying third-party indemnity provision as defined in section 470 of Company Ordinance (Cap 622) is in force for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the Company maintained a director's liability insurance throughout the financial year.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board



Hui Yoon Khong
Director



Koh Mui Ai
Director

Hong Kong, 28 May 2021

Independent Auditor's Report

To the Member of Mapletree Treasury Services (HKSAR) Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The financial statements of Mapletree Treasury Services (HKSAR) Limited (the "Company") set out on pages 7 to 25, which comprise:

- the statement of financial position as at 31 March 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

To the Member of Mapletree Treasury Services (HKSAR) Limited
(incorporated in Hong Kong with limited liability)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 Member of Mapletree Treasury Services (HKSAR) Limited
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

We communicate with the directors 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.



PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 28 May 2021

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 USD	2020 USD
Finance income	5	1,861,324	2,215,463
Currency exchange gain/ (loss) - net		44,869	(49,690)
Expenses			
- Auditor's remuneration		(5,237)	(4,748)
- Legal and professional fees		(90,002)	(3,873)
- Finance costs	6	(2,010,466)	(3,084,298)
- Other expenses		(864)	(898)
Loss before income tax		(200,376)	(928,044)
Income tax credit	7	-	-
Loss and total comprehensive loss for the financial year		(200,376)	(928,044)

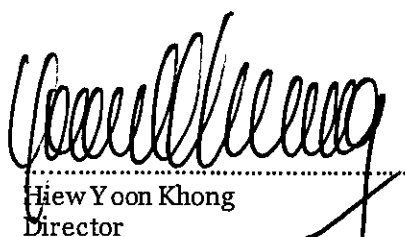
The notes on pages 12 to 25 are an integral part of these financial statements.

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 USD	2020 USD
ASSETS			
Current assets			
Tax recoverable		-	134,176
Other receivables and prepayment	9	552,847	3,418,137
Loans to fellow subsidiaries	10	143,297,819	55,261,526
Cash and cash equivalents	11	3,612,288	91,723
		<u>147,462,954</u>	<u>58,905,562</u>
Total assets		<u>147,462,954</u>	<u>58,905,562</u>
EQUITY			
Share capital	12	645,000	645,000
Accumulated losses		(438,061)	(237,685)
Total equity		<u>206,939</u>	<u>407,315</u>
LIABILITIES			
Current liabilities			
Borrowings	13	3,850,284	41,065,619
Other payables	14	1,187,973	17,432,628
		<u>5,038,257</u>	<u>58,498,247</u>
Non-current liabilities			
Borrowings	13	<u>142,217,758</u>	-
Total liabilities		<u>147,256,015</u>	<u>58,498,247</u>
Total equity and liabilities		<u>147,462,954</u>	<u>58,905,562</u>

The financial statements on pages 7 to 25 were approved by the Board of Directors on 28 May 2021.


Hiew Yoon Khong
Director


Koh Mui Ai
Director

The notes on pages 12 to 25 are an integral part of these financial statements.

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital USD	Retained earnings/ (accumulated losses USD	Total USD
At 1 April 2019	645,000	690,359	1,335,359
Loss and total comprehensive loss for the financial year	-	(928,044)	(928,044)
At 31 March 2020	645,000	(237,685)	407,315
Loss and total comprehensive loss for the financial year	-	(200,376)	(200,376)
At 31 March 2021	645,000	(438,061)	206,939

The notes on pages 12 to 25 are an integral part of these financial statements.

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 USD	2020 USD
Cash flows from operating activities			
Loss before income tax		(200,376)	(928,044)
Adjustments for:			
- Finance income	5	(1,861,324)	(2,215,463)
- Finance costs	6	2,010,466	3,084,298
- Currency exchange (gain)/loss - net		(44,869)	49,690
Operating loss before working capital changes		(96,103)	(9,519)
Change in working capital:			
- Increase in other receivables		(9)	(2)
- Increase in other payables		54,962	2,161
- (Increase)/ decrease in loans to fellow subsidiaries		(85,095,129)	91,579
Cash (used in)/generated from operations		(85,136,279)	84,219
Interest received		4,726,623	580,245
Income tax received		134,176	-
Net cash (used in)/ generated from operating activities		(80,275,480)	664,464
Cash flows from financing activities			
Interest paid	15	(2,453,175)	(2,863,310)
Proceeds from borrowings	15	376,609,501	1,994,870
Repayment of borrowings	15	(273,247,778)	(662,179)
(Decrease)/ increase in deposit placed by an intermediate holding company	15	(17,122,157)	297,446
Increase in deposit placed by the immediate holding company	15	23,373	31,123
Net cash generated from/ (used in) financing activities		83,809,764	(1,202,050)
Net increase/ (decrease) in cash and cash equivalents		3,534,284	(537,586)
Effect of exchange rate changes on cash at banks		(13,719)	(15,506)
Cash and cash equivalents at beginning of financial year		91,723	644,815
Cash and cash equivalents at end of financial year	11	3,612,288	91,723
Cash and cash equivalents represent:			
Cash at banks	11	3,612,288	91,723

The notes on pages 12 to 25 are an integral part of these financial statements.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Mapletree Treasury Services (HKSAR) Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The address of the Company’s registered office is Suites 2001-2, 20/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The principal activity of the Company is the provision of financial and treasury operations activities for the holding and related companies within the group.

The Directors regard Mapletree Treasury Services Limited, a company incorporated in Singapore, as being the immediate holding company. The Company regards Mapletree Investments Pte Ltd, a company incorporated in Singapore, as an intermediate holding company and Temasek Holdings (Private) Limited, a company incorporated in Singapore, as the ultimate holding company.

These financial statements are presented in United States Dollar (“USD”) which is the functional currency of the Company.

2 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance and basis of preparation

The financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and the requirement of the Hong Kong Companies Ordinance (Cap.622). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(a) New standards and amendments to existing standards adopted by the Company

The Company has adopted the following relevant amendments to standards and interpretations that have been issued and are effective for the financial year commencing on 1 April 2020:

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest rate benchmark reform
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The adoption of the above new standard, amendments and interpretation to existing standards does not have material impact to the Company’s financial statements.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.1 Statement of compliance and basis of preparation (Continued)

- (b) The Company has not early adopted the following relevant new and revised standards and amendment to standard that have been issued but are not yet effective:

Amendments to HKAS 39, HKFRS 7, HKFRS 9 and HKFRS 16	Interest rate benchmark Reform - Phase 2 ¹
Amendments to Annual Improvements Projects	Annual improvements to HKFRSs 2018-2020 ²
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments ²
Amendments to HKFRS 16 Accounting Guideline 5 (Revised)	COVID-19 - Related concession ⁴ Merger accounting for common control combinations ²
Amendments to HKAS 1 HKAS 17 HKAS 17 HK-Interpretation 5 (2020)	Classification of Liabilities as current or non-current ³ Insurance contracts ³ Amendments to HKAS 17 ³ Presentation of financial statements - Classification by the borrower of a term loan that contains a Repayment on demand clause ³
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint ventures ⁵

¹ Effective for annual periods beginning on or after 1 April 2021

² Effective for annual periods beginning on or after 1 April 2022

³ Effective for annual periods beginning on or after 1 April 2023

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ Effective date to be determined

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2021 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

2.2 Financial instruments

(a) Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.2 Financial instruments (Continued)

(c) Measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For debt instruments at amortised cost, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income, except for interest income generated from loans to fellow subsidiaries which is included in revenue, using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of comprehensive income. Impairment losses are presented as separate line item in the statement of comprehensive income.

(d) Impairment

The Company assesses on a forward looking basis the expected credit losses ("ECL") associated with its debt instruments at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For financial assets carried at amortised cost, including other receivables and loans to fellow subsidiaries in the statement of financial position, the expected credit loss is based on the 12-month expected credit loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

2.3 Cash and cash equivalents

For the purpose of cash flows, cash and cash equivalents include deposit held at call with banks with original maturities of three months or less.

2.4 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.4 Current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").

MAPLEFREE TREASURY SERVICES (HKSAR) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.7 Revenue recognition

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

2.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fee paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

2.9 Borrowings costs

Borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

MAPLETREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

2.10 Related parties

Related parties are individuals and companies, including fellow subsidiaries and key management (including close members of their families), where the individual or Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options as shown in equity as a deduction, net of tax, from the proceeds.

3 Financial risk management

3.1 Financial risk factors

The Company's major financial instruments include loans to fellow subsidiaries, other receivables, cash and cash equivalents, borrowings and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) **Market risk**

(i) **Foreign currency risk**

The Company's business is principally conducted in USD. The Company is subject to foreign currency risk arising from future commercial transactions and recognised assets and liabilities which are not denominated in USD. The majority of the Company's foreign currency transactions and balances are denominated in Singapore Dollar ("SGD"), Renminbi ("RMB") and Hong Kong Dollar ("HKD"). The Company currently does not have a foreign currency hedging policy. The Company manages its foreign currency risk by closely monitoring the movement of the foreign exchange rates. Management does not anticipate significant impact resulting from the changes in foreign currency exchange rates.

The carrying amounts of the Company's significant foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

	SGD	RMB	HKD
31 March 2021			
Financial assets			
Cash and cash equivalents	3,487,079	96,777	14,839
Other receivables	-	278,252	273,865
Loans to fellow subsidiaries	-	38,517,970	104,779,849
	<u>3,487,079</u>	<u>38,892,999</u>	<u>105,068,553</u>
Financial liabilities			
Borrowings	-	41,901,289	104,166,753
Other payables	30,637	211,598	81,762
	<u>30,637</u>	<u>42,112,887</u>	<u>104,248,515</u>
Currency exposure on financial assets/(liabilities)	<u>3,456,442</u>	<u>(3,219,888)</u>	<u>820,038</u>

MAPLE TREE TREASURY SERVICES (HKSAR) LIMITED
(Incorporated in Hong Kong with limited liability)

NOTES TO THE FINANCIAL STATEMENTS

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign currency risk (Continued)

	SGD	RMB	HKD
<u>31 March 2020</u>			
Financial assets			
Cash and cash equivalents	-	14,951	63,131
Other receivables	45,909	3,371,507	-
Loans to fellow subsidiaries	16,341,528	38,919,998	-
	<u>16,387,437</u>	<u>42,306,456</u>	<u>63,131</u>
Financial liabilities			
Borrowings	-	41,065,619	-
Other payables	16,515,131	46,948	69,080
	<u>16,515,131</u>	<u>41,112,567</u>	<u>69,080</u>
Currency exposure on financial (liabilities)/assets	<u>(127,694)</u>	<u>1,193,889</u>	<u>(5,949)</u>

The following table shows the sensitivity analysis of a 3% (2020: 3%) increase/ (decrease) in USD against the relevant foreign currencies and the effect on the loss for the year.

	Decrease/(increase) in <u>loss after tax</u>	
	2021 USD	2020 USD
SGD against USD		
-strengthened	86,584	(3,199)
-weakened	(86,584)	3,199
RMB against USD		
-strengthened	(80,658)	29,907
-weakened	80,658	(29,907)
HKD against USD		
-strengthened	20,542	(149)
-weakened	<u>(20,542)</u>	<u>149</u>

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3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow interest rate risk

The Company's interest rate risk arises from bank deposits, loans to fellow subsidiaries, deposits placed by an intermediate holding company and the immediate holding company and borrowings. Bank deposits, loans to fellow subsidiaries, deposits placed by an intermediate holding company and the immediate holding company and borrowings at variable rates expose the Company to cash flow interest rate risk. The Company manages its interest rate risk by performing regular review and monitoring its interest rate exposures.

Management does not anticipate significant impact resulting from the changes in interest rates on the net position of these interest-bearing assets and liabilities as at 31 March 2021 (2020: same).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are other receivables (Note 9), loans to fellow subsidiaries (Note 10) and cash and cash equivalents (Note 11).

The Company has procedures to review credit risk. In addition, management carries out regular reviews on receivable balances to identify balances with high risk. Credit risks on loans to/amounts due from the fellow subsidiaries are minimal since they have sound financial position, financial performance and did not have default history.

The credit risk on cash and cash equivalents is limited because they are placed with reputable banks with high credit ratings. Management does not expect any losses from non-performance by the banks.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. While cash and cash equivalents and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current obligations when they fall due.

The Company maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the course of ordinary business. In addition, funding support from intermediate holding companies are established to provide contingent liquidity support when necessary.

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3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining periods at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year USD	Between 1 and 5 years USD
As at 31 March 2021		
Other payables	1,187,973	-
Borrowings	6,069,396	144,713,034
	<u>7,257,369</u>	<u>144,713,034</u>
As at 31 March 2020		
Other payables	17,432,628	-
Borrowings	41,412,088	-
	<u>58,844,716</u>	<u>-</u>

3.2 Capital management

The Company's objectives when managing capital risk are to safeguard the Company's ability as a going concern in order to provide returns for shareholder and to support future development of business through optimisation of debt and equity balances. The Company obtains its funding from an intermediate holding company and the immediate holding company when necessary.

The capital structure of the Company consists of debt, which includes bank borrowings, deposit from the immediate holding company, deposit from an intermediate holding company and total equity comprising share capital and reserves.

The directors of the Company review the capital structure periodically. The Company is not subject to any externally imposed capital requirement.

3.3 Fair value estimation

The carrying amount of the Company's financial assets and liabilities including loans to fellow subsidiaries, other receivables, cash and cash equivalents, borrowings and other payables are reasonable approximation of their fair values due to their short-term maturities. The fair values of borrowings approximate their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate.

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NOTES TO THE FINANCIAL STATEMENTS

4 Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The directors, however, are of the opinion that there are no estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amount of the Company's assets and liabilities.

5 Finance income

	Note	2021 USD	2020 USD
Interest income:			
- Deposits placed in bank		1	1
- Loans to fellow subsidiaries	10	1,861,323	2,215,462
		<u>1,861,324</u>	<u>2,215,463</u>

6 Finance costs

	2021 USD	2020 USD
Interest expenses:		
- Deposit placed by the immediate holding company	19,569	29,672
- Deposit placed by an intermediate holding company	107,459	291,028
- Borrowings	1,492,630	1,874,101
Other finance costs	390,808	889,497
	<u>2,010,466</u>	<u>3,084,298</u>

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7 Income tax credit

The amount of income tax charged to the statement of comprehensive income represents:

	2021 USD	2020 USD
Loss before income tax	(200,376)	(928,044)
Calculated at a taxation rate of 16.5% (2020: 16.5%)	(33,062)	(153,127)
Expenses not deductible for taxation purposes	13,736	61,113
Unrecognised tax losses	19,326	92,014
Income tax credit	-	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profit is probable. As at 31 March 2021, the Company did not recognise deferred income tax assets of approximately USD113,773 (2020: USD94,447) in respect of tax losses of approximately USD689,543 (2020: USD572,418) that can be carried forward against future taxable income.

8 Benefits and interests of Directors disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap.622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G)

a) Directors' emoluments (equivalent to key management compensation)

The directors, who represent key management personnel of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company, did not receive or will not receive any fees or emoluments in respect of their services to the Company during the financial year (2020: Nil).

b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the financial year (2020: Nil).

c) Consideration provided to third parties for making available Directors' services

During the financial year ended 31 March 2021, the Company does not pay consideration to any third parties for making available Directors' services (2020: Nil).

d) Information about loans, quasi-loans and other dealings in favour of Directors, controlled bodies corporate by and controlled entities with such Directors

As at 31 March 2021, there are no loans, quasi-loans and other dealing arrangements in favour of Directors, controlled bodies corporate by and controlled entities with such Directors (2020: Nil).

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NOTES TO THE FINANCIAL STATEMENTS

8 Benefits and interests of Directors disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap.622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) (Continued)

e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year (2020: Nil).

9 Other receivables and prepayment

	2021 USD	2020 USD
Interest receivables from fellow subsidiaries	552,117	3,417,416
Prepayment	730	721
	<u>552,847</u>	<u>3,418,137</u>

Interest receivables from fellow subsidiaries are unsecured and repayable on demand.

10 Loans to fellow subsidiaries

Loans to fellow subsidiaries are unsecured, carry interest ranging from 1.87% to 7.50% (2020: 1.83% to 7.50%) per annum and repayable on demand.

11 Cash and cash equivalents

	2021 USD	2020 USD
Cash at banks	<u>3,612,288</u>	<u>91,723</u>
Maximum exposure to credit risk	<u>3,612,288</u>	<u>91,723</u>

12 Share capital

	2021 USD	2020 USD
5,000,000 ordinary shares issued and fully paid as beginning and end of year	<u>645,000</u>	<u>645,000</u>

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13 Borrowings

As at 31 March 2021, the borrowings are unsecured, with effective interest rates ranging from 0.92% to 3.50% (2020: 2.73% to 4.80%) per annum. The borrowings will mature and repayable as follows:

	2021 USD	2020 USD
Within one year	3,850,284	41,065,619
In the second to the fourth year	142,217,758	-
	<u>146,068,042</u>	<u>41,065,619</u>

14 Other payables

	2021 USD	2020 USD
Interest payable on:		
- Borrowings	245,990	46,948
- Deposit placed by an intermediate holding company	-	38,705
- Deposit placed by the immediate holding company	5,505	9,308
	<u>251,495</u>	<u>94,961</u>
Accrued commitment fees	42,185	69,080
Accrued operating expenses	86,650	7,891
Deposit placed by an intermediate holding company	-	16,476,426
Deposit placed by the immediate holding company	807,643	784,270
	<u>1,187,973</u>	<u>17,432,628</u>

The interest payable on deposit placed by an intermediate holding company and the immediate holding company are unsecured and repayable on demand.

The deposit placed by an intermediate holding company as at 31 March 2020 had matured during the year. The effective interest rate at 31 March 2020 was 1.53% per annum and the interest rate was re-priced every six months.

The deposit placed by the immediate holding company will mature in May 2021 (2020: May 2020). The effective interest rate at the reporting date is 1.96% (2020: 3.39%) per annum and the interest rate will be re-priced every six months (2020: six months).

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NOTES TO THE FINANCIAL STATEMENTS

15 Notes to the statement of cash flows

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt

	2021 USD	2020 USD
Cash and cash equivalents	3,612,288	91,723
Borrowings	(146,068,042)	(41,065,619)
Interest payable on borrowings	(245,990)	(46,948)
Interest payable to related parties	(5,505)	(48,013)
Deposit placed by an intermediate holding company	-	(16,476,426)
Deposit placed by the immediate holding company	(807,643)	(784,270)
Net debt	(143,514,892)	(58,329,553)
Cash and cash equivalents	3,612,288	91,723
Gross debt – variable interest rates	(147,127,180)	(58,421,276)
Net debt	(143,514,892)	(58,329,553)

	Cash and cash equivalents USD	Borrowings USD	Interest payable on borrowings USD	Interest payable to related parties USD	Deposit placed by an intermediate holding company USD	Deposit placed by the immediate holding company USD	Total USD
Net debt as at							
31 March 2019	644,815	(40,697,050)	(206,843)	(55,883)	(16,539,961)	(753,147)	(57,608,069)
Finance costs	-	-	(2,763,598)	(320,700)	-	-	(3,084,298)
Cash flows	(537,586)	(1,332,691)	2,534,740	328,570	(297,446)	(31,123)	664,464
Non-cash movements	(15,506)	964,122	388,753	-	360,981	-	1,698,350
Net debt as at							
31 March 2020	91,723	(41,065,619)	(46,948)	(48,013)	(16,476,426)	(784,270)	(58,329,553)
Net debt as at							
31 March 2020	91,723	(41,065,619)	(46,948)	(48,013)	(16,476,426)	(784,270)	(58,329,553)
Finance costs	-	-	(1,883,438)	(127,028)	-	-	(2,010,466)
Cash flows	3,534,284	(103,361,723)	2,283,639	169,536	17,122,157	(23,373)	(80,275,480)
Non-cash movements	(13,719)	(1,640,700)	(599,243)	-	(645,731)	-	(2,899,393)
Net debt as at							
31 March 2021	3,612,288	(146,068,042)	(245,990)	(5,505)	-	(807,643)	(143,514,892)

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16 Financial instruments by category

Assets as per statement of financial position

		<u>Financial assets at amortised cost</u>	
	Notes	2021 USD	2020 USD
Other receivables	9	552,117	3,417,416
Loan to fellow subsidiaries	10	143,297,819	55,261,526
Cash and cash equivalents	11	3,612,288	91,723
		<u>147,462,224</u>	<u>58,770,665</u>

Liabilities as per statement of financial position

		<u>Financial liabilities at amortised cost</u>	
	Notes	2021 USD	2020 USD
Borrowings	13	146,068,042	41,065,619
Other payables and accruals	14	1,187,973	17,432,628
		<u>147,256,015</u>	<u>58,498,247</u>

17 Related party transactions

Other than those disclosed elsewhere in the financial statements, there were no related party transactions entered into by the Company during the financial year.